



# AMI ORGANICS LIMITED

Our Company was initially formed as a partnership firm under the Partnership Act, 1932 as "Ami Organics" with effect from January 3, 2004 at Surat, India. The firm converted into a private limited company under the Companies Act, 1956 under the name of "Ami Organics Private Limited" with a certificate of incorporation dated June 12, 2007, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company, following which our Company's name was changed to "Ami Organics Limited", and a fresh certificate of incorporation was issued by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") on April 18, 2018. For further details, see "History and Certain Corporate Matters" on page 176.

**Registered and Corporate Office:** Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat – 394 230 Gujarat, India; **Tel:** +91 261 239 7193; +91 72279 77744 and +91 75730 15366.

**Contact Person:** Ekta Kumari Srivastava, Company Secretary and Compliance Officer; **Tel:** +91 261 239 7193; **E-mail:** cs@amiorganics.com; **Website:** www.amiorganics.com

**Corporate Identity Number:** U24100GJ2007PLC051093

## OUR PROMOTERS: NARESHKUMAR RAMJIBHAI PATEL, CHETANKUMAR CHHAGANLAL VAGHASIA, SHITAL NARESHBHAI PATEL AND PARUL CHETANKUMAR VAGHASIA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AMI ORGANICS LIMITED (THE "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION. THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,059,600 EQUITY SHARES, CONSTITUTING UP TO 700,000 EQUITY SHARES BY PARUL CHETANKUMAR VAGHASIA ("PROMOTER SELLING SHAREHOLDER"), UP TO 1,500,000 EQUITY SHARES BY GIRISHKUMAR LIMBABHAI CHOVIATIA, UP TO 3,050,000 EQUITY SHARES BY KIRANBEN GIRISHBHAI CHOVIATIA, UP TO 174,600 EQUITY SHARES BY ARUNA JAYANTKUMAR PANDYA<sup>(1)</sup>, UP TO 87,300 EQUITY SHARES BY HINA INDRESHBHAI SHAH, UP TO 87,280 EQUITY SHARES BY HARSHAD RAMLAL SHETH, UP TO 76,200 EQUITY SHARES BY DHIRAJLAL AMRUTLAL AMLANI, UP TO 75,000 EQUITY SHARES BY VRUSHTI ATULKUMAR SHAH, UP TO 63,000 EQUITY SHARES BY JOLITBHAI JASVANTLAL SHAH<sup>(2)</sup>, UP TO 55,920 EQUITY SHARES BY NISHIT ATULKUMAR SHAH, UP TO 49,000 EQUITY SHARES BY SURABHI YASH SHAH, UP TO 32,000 EQUITY SHARES BY NARMADA AMRUTLAL AMLANI, UP TO 26,500 EQUITY SHARES BY SHANTI DEVI KANKARIA, UP TO 19,000 EQUITY SHARES BY DIVYA MAHENDRAKUMAR KANKARIA, UP TO 15,000 EQUITY SHARES BY CHOVIATIA HARESH H, UP TO 14,910 EQUITY SHARES BY AMITABEN JOLITBHAI SHAH<sup>(3)</sup>, UP TO 14,500 EQUITY SHARES BY SARYU DHIRAJLAL AMLANI, UP TO 10,000 EQUITY SHARES BY KOLADIA MEHUL M, UP TO 8700 EQUITY SHARES BY JYOTIBEN RAKESHBHAI LAHOTI<sup>(4)</sup> AND UP TO 690 EQUITY SHARES BY SHAH DISHA JOLIT<sup>(5)</sup> (COLLECTIVELY, "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES "OFFERED SHARES") AGGREGATING UP TO [●] MILLION ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OUR COMPANY, IN CONSULTATION WITH THE BRLMs, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES THROUGH A PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 1,000 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 THE OFFER CONSTITUTING AT LEAST [●] % OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND THE [●] EDITION OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED AND CORPORATE OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH SEBI ICDR REGULATIONS, AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF 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 and the Selling Shareholders 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 public notice, 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.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such allocation, the "QIB Portion"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders ("NIB") and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("RIB") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily participate in the Offer only through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Accounts (including UPI ID in case of RIBs, if applicable) which will be blocked by the SCSBs, or the Sponsor Bank, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 328.

## RISKS IN RELATION TO THE FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price as determined by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, as stated under "Basis for Offer Price" on page 90 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23.

## 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 that the statements made or confirmed by such Selling Shareholders in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their portion of the Equity Shares offered in the Offer for Sale and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statement, including, *inter alia*, any of the statements made by or relating to our Company or its business or any other Selling Shareholders.

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 378.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
<b>Intensive Fiscal Services Private Limited</b> 914, 9 <sup>th</sup> Floor, Raheja Chambers Free Press Journal Marg, Nariman Point Mumbai 400 021, Maharashtra, India <b>Tel:</b> +91 22 2287 0443 <b>E-mail:</b> amiorganics ipo@intensivefiscal.com <b>Investor Grievance E-mail:</b> ipo@intensivefiscal.com <b>Website:</b> www.intensivefiscal.com <b>Contact Person:</b> Harish Khajanchi/Anand Rawal <b>SEBI Registration No.:</b> INM000011112	<b>Ambit Private Limited</b> Ambit House, 449, Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India <b>Tel:</b> + 91 22 6623 3000 <b>E-mail:</b> ami.ipo@ambit.co <b>Investor Grievance E-mail:</b> customerservicecmb@ambit.co <b>Website:</b> www.ambit.co <b>Contact Person:</b> Nikhil Bhiwarpurkar/ Jaspreet Thukral <b>SEBI Registration No.:</b> INM000010585	<b>Axis Capital Limited</b> 1 <sup>st</sup> Floor, Axis House, C 2 Wadia International Centre, P. B. Marg, Worli, Mumbai 400 025, Maharashtra, India <b>Tel :</b> +91 22 4325 2183 <b>E-mail:</b> ami.ipo@axiscap.in <b>Investor Grievance E-mail:</b> complaints@axiscap.in <b>Website:</b> www.axiscapital.co.in <b>Contact Person:</b> Mayuri Arya <b>SEBI Registration No.:</b> INM000012029	<b>Link Intime India Private Limited</b> C101, 1 <sup>st</sup> Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India <b>Tel:</b> +91 22 4918 6200 <b>Email:</b> amiorganics.ipo@linkintime.co.in <b>Investor Grievance E-mail:</b> amiorganics.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration No.:</b> INR000004058
BID/OFFER PROGRAMME			
BID/OFFER OPENS ON			[●]*
BID/OFFER CLOSES ON			[●]**

<sup>(1)</sup> Jointly held with Jayant Manubhai Pandya; <sup>(2)</sup> Jointly held with Amitaben Jolitbhai Shah; <sup>(3)</sup> Jointly held with Jolitbhai Jasvantlal Shah; <sup>(4)</sup> Jointly held with Rakesh Baluram Lahoti; and <sup>(5)</sup> Jointly held with Jolitbhai Jasvantlal Shah.

\* 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.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information” and “Outstanding Litigation and Other Material Developments”, beginning on pages 345, 93, 96, 168, 210 and 301 will have the meaning ascribed to such terms in those respective sections.*

#### General terms

Term	Description
our Company, the Company or the Issuer	Ami Organics Limited, a public limited company incorporated under the Companies Act 1956, having its registered and corporate office at Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat – 394 230 Gujarat, India
we/us/our	Unless the context otherwise indicates or implies, refers to our Company together with our Joint Venture, on a consolidated basis

#### Company related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “Our Management” on page 182
Auditors/ Statutory Auditors	The statutory auditors of our Company, being Maheshwari & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Chief Financial Officer/ CFO	Chief financial officer of our Company, Abhishek Haribhai Patel
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Ekta Kumari Srivastava
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in “Our Management” on page 182
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Chairman and Managing Director	The executive chairman and managing director of our Company, Nareshkumar Ramjibhai Patel
Whole-time Director(s)	Whole-time directors of our Company, namely Chetankumar Chhaganlal Vaghasia and Virendra Nath Mishra
Group Company	Our group company, namely Ami Lifesciences Private Limited as disclosed in “Our Group Companies” on page 206
GOL	Gujarat Organics Limited
Independent Directors	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013, the details of whom are provided in “Our Management” on page 182
IPO Committee	The IPO committee of our Board as described in “Our Management” on page 182
Joint Venture / JV	Ami Onco - Theranostics, LLC

Term	Description
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in “ <i>Our Management-Key Managerial Personnel</i> ” on page 198
Manufacturing Facilities	Our manufacturing facilities located at (i) GIDC Sachin, Surat, Gujarat, (ii) GIDC Ankleshwar, Bharuch, Gujarat; and (iii) GIDC Jhagadia, Bharuch, Gujarat.
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated April 28, 2021 for identification of material group companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the requirements under the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
MoA/ 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 our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page 182
Non-Executive Director	A Director not being an Executive Director of our Company
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 “ <i>Our Promoters and Promoter Group</i> ” on page 201
Promoter(s)	Our promoters, namely, Nareshkumar Ramjibhai Patel, Chetankumar Chhaganlal Vagharia, Shital Nareshbhai Patel and Parul Chetankumar Vagharia. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 201
Promoter Selling Shareholder	Parul Chetankumar Vagharia
Registered and Corporate Office	Registered and corporate office of our Company located at Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat – 394 230 Gujarat, India
Registrar of Companies / RoC	The Registrar of Companies, Gujarat at Ahmedabad, located at ROC Bhavan, opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India
Restated Consolidated Financial Statements	Our restated consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and the restated consolidated summary statement of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 of our Company and its Joint Venture (collectively “ <b>the Group</b> ”) together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared under Ind AS as per the Ind AS Rules notified under Section 133 of the Companies Act 2013, and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note, and the examination report dated May 7, 2021 thereon, included in “ <i>Financial Information</i> ” on page 210
Selling Shareholders	Parul Chetankumar Vagharia, Girishkumar Limbabbhai Chovatia, Kiranben Girishbhai Chovatia, Aruna Jayantkumar Pandya*, Hina Indreshbhai Shah, Harshad Ramlal Sheth, Dhirajlal Amrutlal Amlani, Vrushti Atulkumar Shah, Jolimbhai Jasvantlal Shah**, Nishit Atulkumar Shah, Surabhi Yash Shah, Narmada Amrutlal Amlani, Shanti Devi Kankaria, Divya Mahendrakumar Kankaria, Chovatia Haresh H, Amitaben Jolimbhai Shah***, Saryu Dhirajlal Amlani, Koladia Mehul M, Jyotiben Rakeshbhai Lahoti**** and Shah Disha Jolit*****  * Jointly held with Jayant Manubhai Pandya ** Jointly held with Amitaben Jolimbhai Shah *** Jointly held with Jolimbhai Jasvantlal Shah **** Jointly held with Rakesh Baluram Lahoti ***** Jointly held with Jolimbhai Jasvantlal Shah
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders Relationship Committee	The stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and as described in “ <i>Our Management</i> ” on page 182

## Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to 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
Ambit	Ambit Private Limited
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus 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 on the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The 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 Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained 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 Retail Individual Bidders linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Bidders Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
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
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 328
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. The term “Bidding” shall be construed accordingly

<b>Term</b>	<b>Description</b>
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/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 Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered and Corporate Office is situated). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, in an advertisement in the same newspaper in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank. 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.
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 Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered and Corporate Office is situated.)
Bid/ Offer Period	Except in relation to Bid 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. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	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
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, Intensive Fiscal Services Private Limited, Ambit Private Limited and Axis Capital Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that Retail Individual 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, subject to any revision(s) thereto above, which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE, as updated from time to time

Term	Description
Collecting Registrar and Share Transfer Agents/ CRTAs/ RTAs	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 and circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details, and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
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 Intermediary(ies)	In relation to ASBA Forms submitted by Retail Individual Bidders (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by Retail Individual Bidders (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIBs 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, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs.
Designated RTA Locations	Such locations of the CRTAs where Bidders 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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) 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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated June 4, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted

Term	Description
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 ₹ 3,000 million.
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 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Intensive	Intensive Fiscal Services Private Limited
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders/ NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	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 * Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company
Offer Agreement	The agreement dated June 4, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 6,059,600 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders in the Offer
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. 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
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 6,059,600 Equity Shares aggregating up to ₹ [●] million
Pre-IPO Placement	A further issue of Equity Shares, through a preferential offer or any other method as may be permitted in accordance with applicable law, aggregating up to ₹ 1,000 million, which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC
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 Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price



Term	Description
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , 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/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the 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
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated June 4, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Bidders(s)/ RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/ SCRB(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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , 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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares under the Offer by each of the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees

Term	Description
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 has 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 RIBs 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 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	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst 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 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 circular no. 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 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 and any subsequent circulars or notifications issued by SEBI 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 Retail Individual 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 Retail Individual Bidder to such UPI linked mobile application) to the Retail Individual Bidder 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 Retail Individual Bidders to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

#### Conventional and General Terms and Abbreviations

Term	Description
A/c	Account.
AED	United Arab Emirates Dirham, the official currency of the United Arab Emirates.
AGM	Annual general meeting.
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations.
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited.

Term	Description
CAGR	Compounded Annual Growth Rate.
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31.
CARO 2016	Companies (Auditor's Report) Order, 2016.
CARO 2020	Companies (Auditor's Report) Order, 2020.
CCI	Competition Commission of India.
CDSL	Central Depository Services (India) Limited.
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, to the extent notified.
Competition Act	Competition Act, 2002.
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.
CST	Central sales tax
Demat	Dematerialised
DEPB	Duty entitlement pass book
Depositories Act	Depositories Act, 1996.
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number.
DP ID	Depository Participant's Identification Number.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry.
EBITDA	Profit/(loss) for the respective period + exceptional item + tax expenses + finance costs + depreciation and amortisation - other income
EEA	European Economic Area.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
ERP	Enterprise Resource Planning.
EUR/ €	Euro
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.
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.
GIR Number	General index registration number.
GoI	Government of India.
GST	Goods and services tax.
Hazardous Waste Rules/HW Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family.
I.T. Act	The Income Tax Act, 1961.
ICAI	The Institute of Chartered Accountants of India.
ICDS	Income Computation and Disclosure Standards.
IFRS	International Financial Reporting Standards.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
IPO	Initial public offer.
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology.
LIBOR	London inter-bank offered rate
MCA	Ministry of Corporate Affairs, Government of India.
MCLR	Marginal cost of fund-based lending rate

Term	Description
MICR	Magnetic ink character recognition.
MIDC	Maharashtra Industrial Development Corporation
Mn/ mn	Million.
MPCB	Maharashtra Pollution Control Board
MSEDCL	Maharashtra State Electricity Distribution Company Limited
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
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.
NPCI	National payments corporation of India.
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the I.T. Act.
R&D	Research and development
RBI	Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RMB/CNY	Chinese Yuan
RONW	Return on net worth.
Rs./ Rupees/ ₹ / INR	Indian Rupees.
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 SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The <i>erstwhile</i> 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.

Term	Description
STT	Securities transaction tax.
US GAAP	Generally Accepted Accounting Principles in the United States of America.
United States/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.
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

### Technical and Industry Related Terms

Term	Description
ADL	Analytical Development Laboratory
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
ASMF	Active Substance Master File
BPPI	Bureau of Pharma PSU of India
BS	British Standard
CAGR	Compound Annual Growth Rate
CDSCO	Central Drug Standard Control Organization
CFE	Consent for Establishment
CFO	Consent for Operation
CGMP	Current Good Manufacturing Practice
CHEMEXCIL	Chemical Export Promotion Council
CMOs	Contract Manufacturing Operators
CNS	Central Nervous System
CPSUs	Central Public-Sector Undertakings
DCGI	Drugs Controller General of India
DGFT	Directorate General of Foreign Trade
DIR series	Document Information Record Series
DMF	Drug Master File
DPCO	Drug Price Control Order
DSIR	Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
DTAB	Drugs Technical Advisory Board
DTG	Dolutegravir
EDMF	European Drug Master File
EHS	Environment Health and Safety
EIA	Environmental Impact Assessment
EMA	European Medicines Agency
EOU	Export Oriented Unit
ERP Plan	Emergency, Preparedness and Response Plan
ETP	Effluent Treatment Plant
FDC	Fixed-dose Combination
GC-MS	Gas Chromatography Mass Spectrometry
GDUFA	Generic Drug User Fee Amendments
GFCE	Government Final Consumption Expenditure
GIDC	Gujrat Industrial Development Corporation
GMP	Good Manufacturing Practice
HCl	Hydrochloric Acid
HR	Human Resource
ICDS	Income Computation and Disclosure Standards
IIP	Index of Industrial Production
IND	Investigational New Drug
IPR	Intellectual Property Right
IT	Information Technology
KSM	Key Starting Materials
LCMASS	Liquid Chromatography Mass Spectrometry
LoCs	Letter of Comfort
LoUs	Letter of Undertaking

Term	Description
MAT	Moving Annual Turnover
MEE	Multiple Effect Evaporator
MNCs	Multinational Companies
MoSPI	Ministry of Statistics and Programme Implementation, Government of India
MPC	Monetary Policy Committee
MRP	Maximum Retail Price
MSP	Minimum Support Price
NCE	New Chemical Entity
NDA	New Drug Application
NFC	NGL Finechem Limited
NGT	National Green Tribunal
NLEM	National List of Essential Medicines
NMR	Nuclear Magnetic Resonance
NNI	Net National Income
NPPA	National Pharmaceutical Pricing Authority
NPPP	National Pharmaceutical Pricing Policy
NQA	National Quality Association
OHSAS	Occupational Health and Safety Assessment Series
OOS	Out of Specification
PAT	Profit After Tax
PDUFA	Prescription Drug User Fee Act
PFCE	Private Final Consumption Expenditure
PIs	Pharmaceutical Intermediates
QA	Quality Assurance
QC	Quality Control
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RFP	Reference Pricing Mechanism
ROS	Route of Synthesis
SBT System	Soil Biological Treatment System
SMBS	Sodium Metabisulphide
SPCB	State Pollution Control Board
US-FDA	U.S. Food & Drug Administration
WPI	Wholesale Price Index
WHO	World Health Organisation

## **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. All references herein to the “China” are to the People’s Republic of China.

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

### **Financial Data**

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements. Further, certain financial information in this Draft Red Herring Prospectus is derived from our Company’s audited standalone financial statements for the respect year/period. Certain other financial information pertaining to our Group Company is derived from their respective audited financial statements.

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

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

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 23, 146 and 269, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been calculated on the basis of our Restated Consolidated Financial Statements.

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

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” dated May 27, 2021, by Frost & Sullivan (“**F&S Report**”) and publicly available information as well as other industry publications and sources. The F&S Report prepared and released by Frost & Sullivan and has been commissioned and paid for by our Company. For details of risks in relation to the F&S Report, see “*Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*” on page 47.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 23.

In accordance with the SEBI ICDR Regulations, the section “*Basis for the Offer Price*” on page 90 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

## Currency and Units of Presentation

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

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

## Time

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

## Exchange Rates

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

The exchange rates of certain currencies into Indian Rupees for the periods indicated are provided below:

(in ₹)

Currency	Exchange Rate as on		
	March 31, 2021*	March 31, 2020*	March 31, 2019*
1 USD	73.50	75.39	69.17
1 GBP	100.95	93.08	90.48
1 EURO	86.10	83.05	77.70
100 YEN	66.36	69.65	62.52

Source: <https://www.fbil.org.in>

\*In case March 31 of any of the respective years is a Saturday or Sunday or public holiday, the previous working day has been considered.



## FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India 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:

- We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows;
- 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 applicable to our manufacturing operations may adversely affect our business, results of operations and financial condition;
- Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations;
- Our operations are dependent on continuous R&D to develop and commercialise new products and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands may adversely affect our business.
- We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and any reduction in demand for these products, or if such products become obsolete due to a breakthrough in the development of alternate drugs, could have an adverse effect on our business.
- If our products or other products containing our intermediates cause, or are perceived to cause, severe side effects, the sale of such products may decrease or may be banned, which may have an adverse effect on our revenues and profitability.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 23, 146 and 269, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, the Directors, the Selling Shareholders, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares forming part of the Offer for Sale from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in relation to themselves and their respective portions of Offered Shares this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the grant of listing and trading permission by the Stock Exchanges.

## SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Objects of the Offer” and “Outstanding Litigation and Other Material Developments” beginning on pages 23, 146, 96, 69, 55, 210, 80 and 301 respectively of this Draft Red Herring Prospectus.*

### Primary business of our Company

We are one of the leading R&D driven manufacturers of specialty chemicals with varied end usage, focussed towards the development and manufacturing of Pharma Intermediates for regulated and generic APIs and NCE and key starting material for agrochemical and fine chemicals, especially from our recent acquisition of the business of GOL. As per the F&S Report, we are one of the major manufacturers of Pharma Intermediates for certain key APIs, including Dolutegravir, Trazodone, Entacapone, Nintedanib and Rivaroxaban. The Pharma Intermediates which we manufacture, find application in certain high-growth therapeutic areas including anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant.

### Summary of Industry (source: F&S Report)

The Indian chemicals market is valued at USD 166 billion (~4% share in the global chemical industry) in 2019. It is expected to reach ~USD 326 billion by 2025, with an anticipated growth of ~12% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period. The market for Pharmaceutical intermediates in India for the year 2020 was estimated to be around USD 4.8 Bn, growing at a CAGR of 9.8% over 2015-20.

### Name of Promoters

As on the date of this Draft Red Herring Prospectus, Nareshkumar Ramjibhai Patel, Chetankumar Chhaganlal Vaghasia, Shital Nareshbhai Patel and Parul Chetankumar Vaghasia are our Promoters. For further details, see “Our Promoters and Promoter Group” on page 201.

### The Offer

Offer <sup>1</sup>	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] million
<i>of which</i>	
Fresh Issue <sup>1,2</sup>	Up to [●] Equity Shares aggregating up to ₹ 3,000 million
Offer for Sale <sup>3</sup>	Up to 6,059,600 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million

<sup>1</sup> The Offer has been authorized by a resolution of our Board dated February 22, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 31, 2021.

<sup>2</sup> Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.

<sup>3</sup> Each of the Selling Shareholders have consented to participate in the Offer for Sale. The details of their respective Offered Shares are as follows:

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	Kiranben Girishbhai Chovatia	3,050,000	June 4, 2021
2.	Girishkumar Limbabbhai Chovatia	1,500,000	June 4, 2021
3.	Parul Chetankumar Vaghasia	700,000	June 4, 2021
4.	Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)	174,600	June 4, 2021
5.	Hina Indreshbhai Shah	87,300	June 4, 2021
6.	Harshad Ramlal Sheth	87,280	June 4, 2021
7.	Dhirajlal Amrutlal Amlani	76,200	June 4, 2021
8.	Vrushti Atulkumar Shah	75,000	June 4, 2021

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
9.	Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)	63,000	June 4, 2021
10.	Nishit Atulkumar Shah	55,920	June 4, 2021
11.	Surabhi Yash Shah	49,000	June 4, 2021
12.	Narmada Amrutlal Amlani	32,000	June 4, 2021
13.	Shanti Devi Kankaria	26,500	June 4, 2021
14.	Divya Mahendrakumar Kankaria	19,000	June 4, 2021
15.	Chovatiya Haresh H	15,000	June 4, 2021
16.	Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)	14,910	June 4, 2021
17.	Saryu Dhirajlal Amlani	14,500	June 4, 2021
18.	Koladia Mehul M	10,000	June 4, 2021
19.	Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)	8,700	June 4, 2021
20.	Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)	690	June 4, 2021
	<b>Total</b>	<b>60,59,600</b>	

Each of the Selling Shareholders, severally and not jointly, have specifically confirmed that their respective portion of Offered Shares are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations.

For further details, see “The Offer” and “Offer Structure” beginning on pages 55 and 325, respectively.

## Objects of the Offer

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

(in ₹ million)

Particulars	Amount which will be financed from Net Proceeds <sup>(1)</sup>
Repayment of certain indebtedness availed by our Company	1,400
Funding working capital requirements of our Company	900
General corporate purposes <sup>(1)</sup>	●
<b>Total<sup>(1)</sup></b>	<b>●</b>

<sup>(1)</sup> To be finalised upon determination of the Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

**Aggregate pre-Offer shareholding of our Promoters (Including the Promoter Selling Shareholder), the members of our Promoter Group and the Selling Shareholders:**

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
<b>Promoters (including the Promoter Selling Shareholder)</b>			
1.	Nareshkumar Ramjibhai Patel	4,003,710	12.71
2.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83
3.	Shital Nareshbhai Patel	3,937,500	12.50
4.	Parul Chetankumar Vaghasia	3,937,500	12.50
<b>Total (A)</b>		<b>14,976,210</b>	<b>47.54</b>
<b>Members of the Promoter Group</b>			
1.	Chhagan Ramjibhai Vaghasia	340,500	1.08
2.	Bhanuben Chhaganbhai Vaghasia	342,000	1.09
<b>Total (B)</b>		<b>682,500</b>	<b>2.17</b>
<b>Selling Shareholders (Other than Promoter Selling Shareholder)</b>			
1.	Girishkumar Limbabbhai Chovatia	4,595,430	14.59
2.	Kiranben Girishbhai Chovatia	6,090,000	19.33
3.	Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)	174,600	0.55
4.	Hina Indreshbhai Shah	87,300	0.28

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
5.	Harshad Ramlal Sheth	261,840	0.83
6.	Dhirajlal Amrutlal Amlani	228,600	0.73
7.	Vrushti Atulkumar Shah	75,000	0.24
8.	Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)	63,000	0.20
9.	Nishit Atulkumar Shah	55,920	0.18
10.	Surabhi Yash Shah	147,000	0.47
11.	Narmada Amrutlal Amlani	96,000	0.30
12.	Shanti Devi Kankaria	79,500	0.25
13.	Divya Mahendrakumar Kankaria	57,000	0.18
14.	Chovatiya Hareh H	315,000	1.00
15.	Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)	14,910	0.05
16.	Saryu Dhirajlal Amlani	43,500	0.14
17.	Koladia Mehul M	210,000	0.67
18.	Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)	8,700	0.03
19.	Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)	690	Negligible
<b>Total (C)</b>		<b>12,603,990</b>	<b>40.01</b>
<b>Total of Promoters, members of Promoter Group and Selling Shareholders (A) + (B) + (C)</b>		<b>28,262,700</b>	<b>89.72</b>

For further details, see “*Capital Structure*” on page 69.

### Summary of Restated Consolidated Financial Statements

The following information has been derived from our Restated Consolidated Financial Statements:

(₹ in million, except per share data)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Share capital	315.00	105.00	105.00
Net worth*	1,669.33	1,118.14	822.20
Revenue from operations	3,406.08	2,396.43	2,385.12
Profit after Tax /Profit for the year	539.99	274.70	232.95
Earnings per Equity Share (basic and diluted)	17.14	8.72 <sup>#</sup>	7.40 <sup>#</sup>
Net asset value per Equity Share**	52.99	35.50 <sup>#</sup>	26.10 <sup>#</sup>
Total borrowings <sup>##</sup>	1,366.36	594.19	539.04

\* 'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the Restated Consolidated Financial Statement of assets and liabilities of our Company.

\*\* Net Assets Value per equity share: Net worth at the end of the respective periods divided by number equity shares outstanding at the end of respective periods, after giving retrospective effect of bonus issue of Equity Shares on March 31, 2021.

<sup>#</sup> For the purposes of calculation of net asset value per share and earnings per share, the per share data has been adjusted retrospectively to give effect to the bonus issuance of Equity Shares on March 31, 2021.

<sup>##</sup> Total borrowings consist of Non-Current borrowings (including current maturities of long term borrowings) and Current borrowings as per our Restated Consolidated Financial Statements.

For further details, see “*Restated Consolidated Financial Statements*” beginning on page 210.

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

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

### Summary of Outstanding Litigation

For a summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus, see “*Outstanding Litigation and Other Material Developments*” on page 301:

Type of Proceedings	Number of cases	Amount* (in ₹ million)
<b>Cases against the Company</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
Outstanding actions by regulatory and statutory authorities	Nil	Nil
Tax proceedings	8	16.24
<b>Total</b>	<b>8</b>	<b>16.24</b>
<b>Cases by the Company</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases against our Directors</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
Tax proceedings	3	0.17
Outstanding actions by regulatory and statutory authorities	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.17</b>
<b>Cases by our Directors</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Cases against our Promoters</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
Tax proceedings	2	0.16
Outstanding actions by regulatory and statutory authorities	Nil	Nil
Disciplinary actions in the last five years	Nil	Nil
<b>Total</b>	<b>2</b>	<b>0.16</b>
<b>Cases by our Promoters</b>		
Civil proceedings**	Nil	Nil
Criminal proceedings	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable

\*\*In accordance with the Materiality Policy

### Material litigation involving our Group Company

As on the date of this Draft Red Herring Prospectus, there are no material litigation involving our Group Company that has a material impact on our Company.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” beginning on page 301.

### Risk Factors

Specific attention of Investors is invited to the section “*Risk Factors*” on page 23. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

### Contingent Liabilities and Commitments (to the extent not provided for in books of account)

A summary table of our contingent liabilities as of March 31, 2021 as disclosed in the Restated Consolidated Financial Statements is set forth below:

Sr. No	Particulars	Amount
		(₹ million)
1.	Disputed income tax liabilities*	-
2.	Tax deducted at source	0.02
	<b>Total</b>	0.02

\*<sup>1</sup> For assessment year 2017, an order demanding ₹ 16.47 million has been raised for which our Company has filed appeal before the Commissioner of Income Tax (Appeal).

<sup>2</sup> For assessment year 2019, an order demanding ₹ 0.20 million has been received dated April 19, 2021.

<sup>3</sup> Our Company has received a notice under section 148(1) of Income Tax Act, 1961, pertaining to re-assessment of assessment year 2013. The liability for the same cannot be quantifiable, as order from assessing officer is still pending.

For further details, see “Restated Consolidated Financial Statements” on page 210.

## Related Party Transactions

A summary of related party transactions entered into by our Company with related parties and as reported in the Restated Consolidated Financial Statements is set forth below:

(₹ in million)			
Nature of transaction	Fiscal 2021	Fiscal 2020	Fiscal 2019
Investment in Joint Venture	-	31.54	5.29
Purchase/ Advances for land	108.00	-	3
Remuneration and allowance to KMP, relatives of KMP and Independent Directors	55.22	55.04	39.85
Subscription expense and exhibition expense / Reimbursement of expense	2.02	4.60	2.01
Loan taken	-	7.00	75.00
Loan repayment	64.93	38.86	1.50

For further details, see “Restated Consolidated Financial Statements” on page 210.

## Financing Arrangements

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

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

Except for the bonus issue made on March 31, 2021, none of our Promoters and Selling Shareholders except one of the Selling Shareholder, Girishkumar Limbabbhai Chovatia, have acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

The weighted average price at which Equity Shares were acquired by Girishkumar Limbabbhai Chovatia in the last one year preceding the date of this Draft Red Herring Prospectus is ₹ 26.17<sup>#</sup>.

<sup>#</sup>Pursuant to the certificate dated June 4, 2021 by our Statutory Auditors.

## Average Cost of Acquisition of Equity Shares by our Promoters (including the Promoter Selling Shareholder) and the Selling Shareholders

The average cost of acquisition of equity shares by our Promoters (including the Promoter Selling Shareholder) and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus, is as set forth below:

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
<b>Promoters (including the Promoter Selling Shareholder)</b>		
Nareshkumar Ramjibhai Patel	4,003,710	23.49
Chetankumar Chhaganlal Vaghasia	3,097,500	0.56
Shital Nareshbhai Patel	3,937,500	0.48
Parul Chetankumar Vaghasia	3,937,500	0.48
<b>Selling Shareholders (excluding the Promoter Selling Shareholder)</b>		

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
Girishkumar Limbabbhai Chovatia	4,595,430	41.70
Kiranben Girishbbhai Chovatia	6,090,000	0.48
Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)	174,600	33.85
Vrushti Atulkumar Shah	75,000	25.53
Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)	63,000	20.67
Nishit Atulkumar Shah	55,920	30.02
Surabhi Yash Shah	147,000	32.07
Narmada Amrutlal Amlani	96,000	39.45
Shanti Devi Kankaria	79,500	30.85
Divya Mahendrakumar Kankaria	57,000	40.19
Chovatiya Hareish H	315,000	0.48
Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)	14,910	48.29
Saryu Dhirajlal Amlani	43,500	47.44
Koladia Mehul M	210,000	0.48
Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)	8,700	33.91
Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)	690	58.18
Harshad Ramlal Sheth	261,840	31.04
Dhirajlal Amrutlal Amlani	228,600	31.85
Hina Indreshbbhai Shah	87,300	33.85

<sup>#</sup>Pursuant to the certificate dated June 4, 2021 by our Statutory Auditors.

### Details of pre-Offer Placement

Our Company, in consultation with the BRLMs, may consider a further issue of equity shares, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), aggregating up to ₹ 1,000 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.

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

Except as disclosed in the “*Capital Structure*” section of this Draft Red Herring Prospectus on page 69, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

### Split or Consolidation of Equity Shares in the last one year

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



## SECTION II - RISK FACTORS

*An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In the event that 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 Position and Results of Operations” and “Financial Statements” on pages 146, 96, 269 and 210, 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.*

*Potential 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.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 210.*

*Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Ami Organics Limited on a standalone basis, and references to “the Group”, “we”, “us”, “our”, are to Ami Organics Limited on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report “Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” dated May 27, 2021 (the “F&S Report”) prepared and released by Frost & Sullivan and commissioned by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 13.*

### INTERNAL RISK FACTORS

- 1. We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows.***

The Company operates in an industry which is heavily regulated, viz. its own operations as well as the jurisdictions in which the customers of the Company operate. In addition to complying with the Indian regulations in relation to our manufacturing facilities at Surat, Jhagadia and Ankleshwar (“**Manufacturing Facilities**”) and our R&D centre at Surat, we are also required to comply with various regulations and quality standards. Since we supply our products to customers having global markets, our Manufacturing Facilities and products may be subjected to audit and inspection by Indian and overseas regulatory agencies (including US-FDA) and if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our facilities.

Historically, we have received FDA-483 letters (Notice of Inspectional Observations) from the USFDA on August 12, 2016, and March 13, 2020, respectively and in both instances, our Company has made the requisite replies and has subsequently received the relevant establishment inspection reports (EIR) on October 11, 2018, and April 22, 2020, respectively.

Although, the aforesaid inspections were closed, there can be no assurance that we shall not receive any warning letters at any of our facilities in the future or may be subject to investigations from the US-FDA or any other domestic or international regulator(s). Such developments, in case of any recurrence, could adversely affect the demand for our products, including the regulatory review of products that are already marketed, new scientific information or the recall or loss of approval of products that we supply, manufacture, market or sell. We face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems, including at the stage of manufacturing of final dosage form. Such adverse publicity harms the brand image of our products. Further, our customers to whom we supply our intermediates must comply with the regulations and standards of the US-FDA and/or other regulatory authorities, as may be applicable. Failure to comply with these regulatory requirements, or the receipt by these customers of warning or deficiency letters from regulators could adversely affect the demand for our products.

We may also be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability can be high. The existence, or threat of a major product liability claim could damage our reputation and affect customers' views of our products. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly. Any loss of our reputation or brand image may lead to a loss of existing business contracts and affect our ability to enter into additional business contracts in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Our Manufacturing Facilities are subject to numerous laws and regulations designed to protect the environment, and we expect that additional requirements with respect to environmental matters will be imposed in the future. Our operations generate pollutants and waste, some of which may be hazardous and flammable. We are therefore 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 Facilities 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 Facilities. While there have been no material violations in the past, there can be no assurance that any material violation may not occur in the future which could have an adverse effect on our business, results of operations and financial condition.

Our endeavour has been to continue our business in a sustainable manner, towards which, we have incurred significant capital expenditure in installing the latest machinery and equipment to control the discharge of effluents including: (i) a Zero Liquid Discharge based effluent plant spread in 700 square metres; (ii) a soil biological treatment system (“**SBT System**”) based on bioconversion process adopted by our Company; and

(iii) an RO plant with a pre-treatment section consisting of pressure sand filter, activated carbon filter and micron filters followed by chemical dosing system such as Antiscalent, SMBS and HCl.

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, contract labour 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. In addition, some of the agreements entered into by us are not stamped and registered or inadequately stamped, resulting in making them inadmissible as evidence in legal proceedings along with penalties being payable by us for enforceability of such agreements in a court of law. Any potential dispute and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered or if required remediation of known conditions becomes more extensive than expected. If we fail to comply with present and future environmental laws and regulations, we could be subject to future liabilities or the suspension of production, which could harm our business or results of operations. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses in connection with our manufacturing processes.

**3. *We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and any reduction in demand for these products, or if such products become obsolete due to a breakthrough in the development of alternate drugs, could have an adverse effect on our business.***

We derive a significant portion of our revenue from the sale of pharmaceutical intermediates used in active pharmaceutical ingredients (“API”), which primarily comprises the sale of products in the therapeutic areas of anti-psychotic, anti-retroviral, anti-cancer, anti-depressant, anti-Parkinson’s, anti-inflammatory and anti-coagulant. For Fiscal 2021, our revenue from our pharmaceutical intermediates used in therapeutic areas of anti-depressant, anti-retroviral and anti-coagulant was ₹953.26 million, ₹727.38 million and ₹229.94 million comprising of 27.99%, 21.36% and 6.75%, respectively and for Fiscal 2020 was ₹418.07 million, ₹600.34 million and ₹172.66 million comprising of 17.45%, 25.05% and 7.21% and for Fiscal 2019 was ₹633.62 million, ₹460.42 million and ₹116.42 million comprising of 26.57%, 19.30% and 4.88% of our revenue from operations, respectively. The API market is characterised by rapid innovative changes. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of products in these therapeutic areas on account of breakthrough in the development or invention of alternate drugs or formulations, may expose us to the risk of our products being obsolete or being substituted to greater extent, by these alternatives, and any failure on our part to effectively address such situations or to successfully introduce new products in these therapeutic areas could adversely affect our business, results of operations, financial condition and cash flows. In addition, a slowdown in demand for our existing products ahead of a new product introduction could result in a write down in the value of inventory on hand related to existing products. We have in the past experienced a slowdown in the demand for our products and delays in new product development and such slowdowns and delays may occur in the future. Resultantly, if our customers, defer or cancel orders for our existing products due to introduction of alternative drugs, which are much more suitable and preferred as a treatment options, our operating results would be adversely affected.

**4. *Our operations are dependent on continuous R&D to develop and commercialise new products and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.***

Our success depends significantly on our ability to commercialize our new products. In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities and we have set-up dedicated R&D laboratory in Surat, Gujarat, which is also supported by our Analytical Development Laboratory (“ADL”) in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates, Key Starting Materials (“KSMs”) and raw materials. We incurred R&D expenditure of ₹ 64.99 million, ₹85.94 million and ₹23.63 million respectively, in the Financial Years 2021, 2020 and 2019, respectively.

There is often a lengthy period between commencing these development initiatives and bringing new or improved products in the market. Delay in any part of the process, our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reaching the market could adversely affect our business, our results of operations and our cash flows. We may or may not be able to take our R&D innovations through the different testing stages without repeating our R&D efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition. Further, there is no guarantee that our new products or enhancements to existing products will achieve market acceptance. In addition, any changes due to technological advances and scientific discoveries may increase our R&D expenses, as these changes result in frequent introduction of new products and significant price competition. There is a significant possibility, that some of our product development decisions, including, significant research and development costs, or investments in technologies, will not meet our expectations and our investment in some projects will be unprofitable. Also, our ongoing investments in new products launches and R&D for future products could result in higher costs without proportionate increase in our revenues.

While there is no direct exposure on our Company for slowdown in the demand for its products due to new product development, our Company is indirectly affected if a particular API or a final end product is discontinued. Our industry is continuously changing due to technological advances and scientific discoveries. In case our current technologies become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete and we may not have the resources to adequately invest in R&D. The cost of implementing new technologies and upgrading our Manufacturing Facilities as well as R&D could be significant and could adversely affect our business. Changes in market demand may also cause us to discontinue existing or planned development for new products and if we fail to make the right investments or fail to make them at the right time, our business, reputation and financial conditions could be materially and adversely affected.

**5. *If our products or other products containing our intermediates cause, or are perceived to cause, severe side effects, the sale of such products may decrease or may be banned, which may have an adverse effect on our revenues and profitability.***

The API or pharmaceutical end product containing our intermediates may cause severe side effects as a result of number of factors, many of which may be outside our control. These factors may become evident only when such products are introduced into the marketplace and may include potential side effects which may not be revealed during clinical testing for instance unusual severe side effects in isolated cases, defective products not detected by quality management or misuse of our products by pharmaceutical companies or the end-users. Considering that our Company's business is on a B2B model, once our Company completes a sale of its intermediates to the pharmaceutical companies, it has no control/ surveillance/ supervision on the manner in which any of such pharmaceutical companies utilizes our intermediates. Our products may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effect is not obtained or is unobtainable.

In addition, the pharmaceutical intermediates manufactured by our Company may be perceived to cause severe side effects in case other pharmaceutical companies' products containing same or similar intermediates

as manufactured by our Company cause or are perceived to have caused such side effects, or if one or more regulators, such as the US-FDA or an international institution, such as the WHO, determines that such products or intermediates could cause or lead to severe side effects. If the products containing our intermediates cause, or are perceived to cause, severe side effects, we may face a number of consequences, including:

- injury or death of patients (whether during clinical trials or after such products are introduced into the market);
- a decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- withdrawal of regulatory approvals for the relevant products or the relevant production facilities;
- removal of relevant products from the national medical insurance catalogues; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or penalties.

While till date our Company has not received any report or a complaint from any of its customers for its products causing side effects nor has any regulator, including US-FDA and WHO determined our products to have severe side effects, there can be no assurance that we will not receive any complaints from our customers or such determination by regulators for our products in future causing side effects. The occurrence of any such event may lead to a decline in the sales of our products, which in turn may have an adverse effect on our business, results of operations, financial condition and cash flows. The occurrence of any such event may lead to a decline in the sales of our products, which in turn may have an adverse effect on our business, results of operations, financial condition and cash flows.

6. ***We depend on the success of our relationships with our customers. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition. In the absence of long term contracts with our customers, the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on a limited number of customers for a significant portion of our revenues. For Fiscals 2021, 2020 and 2019, our top five customers contributed ₹1,513.44 million, ₹1,069.05million, ₹1068.71 million, or 44.43%, 44.61% and 44.81% of our revenue from operations, respectively. Further, we currently do not have long term contractual arrangements with most of our significant customers and conduct business with them on the basis of purchase orders that are placed from time to time.

For detail break-up of revenues earned by the Company from its top 5 customers for Fiscals 2021, 2020 and 2019, see “Our Business – Our customers” on page 162.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. Further, some of our customers currently manufacture or may start manufacturing their own pharmaceutical intermediates and may discontinue purchasing pharmaceutical intermediates used in APIs from us. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, ability to meet debt and working capital requirements, results of operations, financial condition and cash flows. 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.

7. ***Our Manufacturing facilities are concentrated in a single state and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

All our Manufacturing Facilities as well as our warehouses and R&D center are located in the state of Gujarat in India and any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in the policies of the state or local governments of this region or the Government of India, could require us to incur significant capital expenditure and change our business strategy. We cannot assure you that there will not be any significant disruptions in our operations in the future. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Our business is dependent on our ability to manage our Manufacturing Facilities, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters and pandemics, including the COVID-19 pandemic which caused certain disruptions in our operations last year and may cause disruptions in the future as well. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Further, we are heavily dependent on our vendors to supply in a timely and cost effective manner, various equipments required by us for our operations.

Our Manufacturing Facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lock-outs, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at our Manufacturing Facilities may entail significant repair and maintenance costs and cause delays in our operations. In the event that we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole. Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers' requirements and would result in us breaching our contractual obligations.

**9. *We export products to over twenty five (25) countries and are subject to risks associated with doing business internationally, including international market conditions and regulatory risks.***

We export our products to over twenty five (25) countries globally. In Fiscal 2021, 2020 and 2019 our revenue from operations from exports accounted for 51.57%, 45.89% and 49.61%, respectively, of our total revenue from operations. There are a number of risks in doing business abroad, where we have limited experience. These risks and challenges include risks with respect to interest rate and foreign currency fluctuations, different tax and regulatory environments (particularly with respect to the nature of our products), changes in social, political and economic conditions, the need to recruit personnel combining product skills and local market knowledge, obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we operate, that are significantly different from those that we have experienced in India. For instance, we require various approvals, licenses, registrations and permissions for supplying to our overseas customers. Authorities in different jurisdictions may impose their own requirements or delay or refuse to grant approval, even when our product has already been approved in another country. In case we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. In the United States, as well as many of the international markets into which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approval varies from country to country, but generally takes anywhere from six months to several years from the date of application.

Further, there may be certain developments in the industries in which our customers operate which in turn may have an impact on our sales from exports. There may be imposition of certain tariffs, quotas and other tariff and non-tariff trade barriers on our products in jurisdictions in which we operate or seek to sell our products and we may face trade restrictions in the jurisdictions we operate including the United States and the European countries, among others. Additionally, there may be a prohibition on our exports to certain

countries that may be included in the sanctions list maintained by the Government of India.

These risks may impact our ability to expand our exports in different regions and otherwise achieve our objectives relating to our export operations. Expansion into a market outside of our current operation could require significant capital expenditures and have a material effect on our capital structure. If we pursue an international expansion opportunity, we could face internal or external risks, including, without limitation compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and limits on the repatriation of funds.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have business operations. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully develop or manage our international operations, it may limit our ability to grow our international business.

**10. *We operate in a hazardous industry and are subject to certain business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous and flammable substances. Our operations require handling flammable materials as some portion of our business involves handling of highly flammable chemicals such as (i) ethyl alcohol; (ii) dimethylformamide; (iii) isopropyl alcohol; and (iv) toluene, amongst others. These chemicals are extremely inflammable and any accident while handling such chemicals poses the threat of causing hazards such as explosion, fire, mechanical failure, discharge or leakage of dangerous chemicals or gases, other environmental risks and may seriously hurt or even kill our employees and cause damage to our properties and properties of others.

Accordingly, while we believe we have invested in engineering and safety infrastructure, provided adequate training to our employees and engaged external and internal experts, we may still be 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 industrial accidents, fire, personal injury, loss of human life, damage to our and third-party property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our Manufacturing Facilities and expose us to civil or criminal liability, including significant penalties, which could have an adverse effect on our results of operations and financial condition. Moreover, certain environmental laws imposes strict liability for accident/damages resulting from hazardous substances and any failure to comply with such laws may lead to penalties, fines and imprisonment. Further, our operations (including our storage and warehouse functions) involve working with some highly inflammable raw materials. Any accident while handling such raw materials could cause serious injury to people or property and this may adversely affect our business, results of operations and financial condition.

Although we attempt at all times to conduct our business in the safest manner possible and maintain what we believe to be adequate insurance, there is a risk that any hazard including an accident may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/ or imposition of civil or criminal liabilities. In particular, if operations at our facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance would be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. For instance, there was a recent incidence of fire at our Sachin Facility on February 26, 2021, damaging the company's property, plant and equipment and also raw material, packing material and stores and consumables resulting into loss amounting to ₹107.49 million, and to that effect, our Company currently is in the process of filing insurance claim. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

In addition, our operations are subject to various risks and hazards associated with the manufacturing of our products, which may adversely affect our profitability, including natural calamities, breakdown of operations, loss or shutting down of our Manufacturing Facilities, failure or substandard performance of equipment, third

party liability claims, litigation filed by unsatisfied customers for non-receipt of committed supplies, labour disturbances or strikes due to wage demands, employee frauds and infrastructure failures. Further, our results of operations may fluctuate in the future due to a number of factors, many of which are beyond our control, such as, economic downturn or stagnant economies in India and global markets; any adverse change in international and domestic prices for our raw materials; adverse changes in purchasing practices of our customers; adverse fluctuations in the exchange rate of the rupee versus major international currencies, including the US dollar; statutory and/ or regulatory requirements; and competition from global and Indian manufacturing companies, including new entrants in the market.

In order to prepare our employees to deal with such emergencies, our Company has adopted an emergency, preparedness and response plan (“**ERP Plan**”) for documenting the measures and coordination required to be undertaken for prevention of escalation of emergency situations at our Manufacturing Facilities and specifically to (i) define and assess the emergencies, including risk and environment impact assessment; (ii) contain incidents and bring them under control by mobilizing the internal resources and with the help of mutual aid schemes; (iii) safeguard lives; (iv) minimize the damage to property and/or neighbouring environment; (v) inform employees, the general public and the authority about the hazards/risks assessed, safeguards provided and the role to be played by them in the event of emergency; (vi) initiate and organize evacuation of affected persons; (vii) ensure medical preparedness for the probable casualties; (viii) secure the safe rehabilitation of affected areas; and (ix) work out a plan with all provisions to handle emergencies and providing for emergency preparedness and periodical rehearsal of the ERP Plan comprising of risk analysis and environmental impact assessment, storage and process hazards, effluents treatment methods and other controls, fire protection, control methods of other major hazards, plant-wise on-site actions in case of various emergencies, mutual aid arrangements, medical and safety services, and other relevant information to combat the emergencies.

***11. We do not have long-term agreements with suppliers for our raw materials. Any shortfall in the supply of our raw materials or an increase in our raw material cost, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions. We purchase our raw materials from third party suppliers.

Our Company spent ₹1,905.27 million, ₹1,424.82 million and ₹1,599.10 million towards purchase of raw materials during the Fiscals 2021, 2020 and 2019, comprising of 55.94%, 59.46% and 67.05% of our revenue from operations, respectively. We do not have any long-term contracts with our suppliers. Further, a significant portion of our raw materials are imported from China (amounting to 19.39%, 21.85% and 22.11%, of our total raw material purchases during Fiscals 2021, 2020 and 2019, respectively. Existing geopolitical tensions between India and China may adversely affect our abilities to effectively source raw materials for our business and operations.

Prices are negotiated for each purchase order and we generally have more than one supplier for each raw material. We seek to source our materials from reputed suppliers and typically seek quotations from multiple suppliers. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Also, any increase in raw material prices may result in corresponding increase in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

***12. We recently acquired two new manufacturing facilities from Gujarat Organics Limited and our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.***

We recently completed the acquisition of two additional manufacturing plants operated by GOL in line with our inorganic growth strategy of foraying further into the specialty chemicals sector. Specifically, subsequent to the Acquisition, we have acquired the preservatives (parabens and parabens formulations which have end



usage in cosmetics, animal food and personal care industries) and specialty chemicals business of GOL (with end usage in *inter alia* the cosmetics, dyes and agrochemicals industries).

We may experience difficulties in integrating acquisitions into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

**13. Any sales return of our products could adversely affect our business, prospects, results of operations, financial condition and reputation.**

A variety of reasons could lead to our customers undertaking sales returns of our products. There have been instances of sales returns of certain products on account of certain quality mismatches. To the extent such sales returns continue to occur in the future, our financial condition and the demand for our products could be adversely affected. For the last three financial years, the following is the summary of sales and sales return of our Company as per the Restated Consolidated Financial Statements:

(₹ in million, except percentage data)

S. No.	Financial Year/ Period	Sales (Gross)	Sales Return	Percentage
1.	2021	3,392.99	30.90	0.91%
2.	2020	2,376.29	17.62	0.74%
3.	2019	2,345.84	8.38	0.36%

There can be no assurance that sales returns of similar nature or otherwise shall not occur in the future during the course of the business operations of our Company and any such sales returns, whether due to factors within or outside our control, could have an adverse effect on our business, prospects, results of operations, financial condition and reputation.

**14. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.**

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process viz. our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. For example, the total working capital as on March 31, 2021, was ₹1,095.27 million (117 days of revenue from operations). Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to

manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

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

A significant portion of our total revenue and expenditure is denominated in currencies other than Indian Rupees. Our revenues and expenditures for Fiscals 2021, 2020 and 2019 are as follows:

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Export of goods calculated on FOB basis	1,728.65	1,075.40	1,114.33
Value of imports calculated on CIF basis (Raw Materials and Capital Goods)	512.76	563.68	527.89
Other Expenses in Foreign Currency	13.92	13.58	12.23

Although, we closely follow our exposure to foreign currencies in an attempt to reduce the risks of currency fluctuations and our results of operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. 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. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue.

**16. *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.***

All of our existing Manufacturing Facilities are located in Gujarat. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments for the expansion of our manufacturing capacities (specifically in relation to the Ankleshwar and Jhagadia plant acquisitions) and are continuing to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our aggregate capacity utilization was 36%, 46% and 63% in Fiscals 2019, 2020 and 2021, respectively. For further information, see “Our Business - Capacity and Capacity Utilization” on page 158. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. 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 (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our Manufacturing Facilities could adversely affect our

business, results of operations, financial condition and cash flows.

- 17. *We currently avail benefits under certain export promotion schemes and are entitled to certain incentives. Any change in these benefits and incentives applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.***

We currently avail benefits under certain export promotion schemes and the Export Promotion Capital Goods Scheme, which allow us duty free import of certain inputs used for manufacturing. In Fiscals 2021, 2020 and 2019, export benefit (incentive) were ₹ 43.99 million, ₹ 37.75 million and ₹ 47.66 million, respectively, in the same periods. We also avail benefits under the Duty Exemption Entitlement Certificate (“DEEC”). Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition. Further, the benefits/ incentives under such industrial schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits or that such schemes will continue to exist in the future at all.

- 18. *Our facilities are subject to client inspections and quality audits and any failure on our part to meet their expectations or to comply with the quality standards set out in our contractual arrangements, could result in rejection of our product lot(s) and/or the termination of our contracts which may adversely affect our business, results of operations, financial condition and cash flows.***

Pursuant to our contractual arrangements, certain of our clients have the right to regularly examine our manufacturing processes, quality control and procedures and records of our Manufacturing Facilities after reasonable notice and at a reasonable time to ensure that our services are meeting their internal standards and regulatory requirements. Most of our clients routinely inspect and audit our facilities and have a right to complain against the defective product(s). Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the rejection of our product lot(s) and/ or termination of our customer contracts and our clients may choose to source their requirements from our competitors. We may also incur significant costs to upgrade our facilities and manufacturing processes. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows in addition to reputational damage.

- 19. *Delay or failure in the implementation of our sales orders, on the part of our contract manufacturer may adversely affect our business, financial condition and results of operations.***

In relation to certain products, we outsource part of the work to contract manufacturers, by using these contract manufacturers for purpose of raw material contract manufacturing to produce final intermediate. For such orders, the performance of the product for our client depends partly on our performance and partly on that of our contract manufacturers. A delay or failure on the part of a contract manufacturer to complete its work, for any reason, could also result in: (i) delayed payment to us for our products; (ii) liquidated damages may become payable by us; (iii) claims may be brought against us for losses suffered as a result of our non-performance; (iv) our clients may terminate our contracts; (v) disruption in manufacturing schedule; (vi) increase in cost; and (vii) damage to our reputation. Additionally, our contract manufacturers may not have adequate financial resources to meet their indemnity obligations to us. The occurrence of any of these possibilities may adversely affect our business, financial condition and results of operations.

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

Information relating to the installed manufacturing capacity of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of our Manufacturing Facilities. These assumptions and estimates includes the standard capacity calculation practice of the industry in which we operate after examining the reactor capacities and other ancillary equipment installed at the facilities, the period during which the Manufacturing Facilities operated in a year/ period, product mix produced, assumption in relation to utilisation levels, expected operations, product manufacturing cycle, cleaning time, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see “Our Business” on

page 146. Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. 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 competitors in the same industry. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

**21. *Our technical agreements with various customers have various quality assurance compliances to be met by us. There can be no assurance that our Company shall be in compliance with the covenants under the technical agreements to the satisfaction of our customers or at all.***

The technical agreements entered into by our Company require our Company to be in compliance with numerous covenants, terms and conditions, including those which subject our Company to audits from time to time. For an instance, some of our technical agreements requires us *inter-alia* to: (i) make commercially reasonable efforts to exclude, during packaging, storage and shipping of the substance(s), the possibility of deterioration, contamination, or mix-up with any other material; (ii) perform manufacturing operations for the Key Starting Raw Materials (“KSM”) and ensuring that the premises and equipment being used to supply KSM being in compliance with the cGMPs, applicable current regulatory requirements and in accordance with any specific requirement approved by our customer. Although our Company follows internationally acceptable Good Manufacturing Practices (“GMPs”) including with respect to manufacturing, packaging, storage and shipping of our products, there can be no assurance that our customers at any time during the pendency of the agreement or thereafter shall not raise an objection/ claim including before a regulatory or judicial authority that our Company did not undertake commercially reasonable efforts to comply with the requirements of our technical agreements.

In the event our customers successfully raise a claim on our Company with respect to such alleged non-performance of the contractually agreed terms before a regulatory or judicial authority or otherwise, the same may adversely affect the business, results of operation, financial condition and cash flows of our Company.

**22. *Some of our distributorship agreements restrict us from selling and marketing our products through other agencies in a particular geography. Further, such contractual arrangements are governed under the applicable laws of overseas jurisdictions. In the event of any litigation arising under these contractual arrangements, the time/cost implications with respect to same could adversely affect our business, prospects, results of operations, financial condition and reputation.***

We enter into distributorship agreements with overseas distribution agents in certain geographies with a view to market, distribute and sell our products in such territories. Since these agreements are exclusive in nature, we are restricted from contracting with other agencies which are engaged in the marketing and sale of products that are manufactured by us in the same geography. Thus, the distribution and marketing of our products remains dependent on a single agency for a particular geography thereby limiting the reach of our products. Exclusive arrangements with our distribution agents restrict us from appointing other agencies or directly market and sell our products in such jurisdictions, which may lead to a material adverse effect to the results of operations and cash-flow. Delay in the marketing of our products overseas, if at all, poses a risk on our business prospects in overseas markets and could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, such contractual arrangements are governed under the applicable laws of overseas jurisdictions. In the event of any litigation arising under these contractual arrangements, the time/cost implications with respect to same could also adversely affect our business, prospects, results of operations, financial condition and reputation.

**23. *There is a risk that our data could be lost or misused by the job workers appointed by our Company.***

During the ordinary course of its business operations, our Company has entered into job work arrangements

for engaging third party contractors for job work of raw materials to produce products which gets converted into intermediates at our facility. Our Company possesses valuable formulations, scientific, technical and business information of a confidential and proprietary nature including but not limited to scientific and technical information, manufacturing know-how, engineering techniques, registration data and developments relating to the manufacturing of its products (“**Confidential Information**”), which our Company, either in part or in entirety entrusts certain Confidential Information with such job workers who being bound by confidentiality agreements executed with our Company, are contractually restricted to not publish in whole or in part any of the Confidential Information without prior written consent of our Company. Although the job workers are contractually obligated to protect such Confidential Information received from the Company, there can be no assurance that such Confidential Information or any part thereof shall be so protected by the job workers in compliance with the confidentiality agreements executed by them with our Company and any such loss, disclosure and misuse of such Confidential Information may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

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

Our business depends on our estimate of the long-term demand for our advance pharmaceutical intermediates and speciality chemicals from our customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus or shortage of stock, which may not be sold in a timely manner. 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. Further, the number of purchase orders that our customers place with us differ from quarter to quarter, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future. Also, each of our products has a shelf life of a specified number of years and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. 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.

***25. The industry in which we operate, provides for significant entry barriers. Our inability to compete effectively in overcoming such entry barriers to remain competitive, could result in the loss of customers and accordingly our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.***

The industry in which we operate presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. In particular, our typical end customers are required to register the manufacturer with the regulatory bodies as a supplier of APIs, both regulated and generic. As a result, any change in the manufacturer of the API may require customers to expend significant time and resources, resulting in the acquisition of customers becoming a long process. From the product testing stage to the batch procurement phase, to the eventual customer approval stage acquiring a new end customer typically takes a significant amount of time, depending on product complexity. Further, customers in general avoid sharing product related information with numerous manufacturers in order to restrict the spread of confidential information and as a result, customers typically select manufacturers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such manufacturers.

***26. A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We rely on various forms of transportation, such as marine, roadways and railways to receive raw materials required for our products and to deliver our finished products to our customers. Unexpected delays in those deliveries, including due to delays in obtaining customs clearances for raw materials imported by us, transportation strikes or increases in transportation and fuel costs, could significantly decrease our ability to make sales and earn profits. We may suffer losses due to damage or loss of raw materials and finished products in transit which may occur due to accidents or natural disasters. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins. In addition, labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation

infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

**27. *We are yet to receive certain registrations in connection with the protection of our intellectual property rights, especially with regards to patents relating to our products. Such failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.***

We are heavily dependent on our intellectual property. We have currently applied for certain registrations in connection with the protection of our intellectual property relating to the process patents of our products. Our inability to obtain these registrations may adversely affect our competitive business position. If any of our unregistered patents are registered in favor of a third party, we may not be able to claim registered ownership of those patents and consequently, we may be unable to seek remedies for infringement of those patents by third parties other than relief against “passing off” by other entities. In addition, in certain jurisdictions, marketing authorizations in relation to our products may be held by certain third parties with whom we have not directly entered into agreements to protect our rights in relation to such marketing authorizations.

As on the date of this Draft Red Herring Prospectus, our Company has certain pending process patent and trademark applications, details of which are disclosed in “*Government and Other Approvals – Intellectual Property*” on page 306 of this Draft Red Herring Prospectus. The registration of any patent is a time-consuming process, and there can be no assurance that any such registration will be granted. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our patent is registered, our ability to use our intellectual property rights may be restricted, which could materially and adversely affect our brand image, goodwill and business. Until such time that we receive registered patents, we can only seek relief against “*passing off*” by other entities. Accordingly, we may be required to invest significant resources in developing a new brand. Furthermore, the intellectual property protection obtained by us may be inadequate, we may be unable to detect any unauthorized use and we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products by using processes that may be superior to the processes used by our Company. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all. We also rely on confidentiality agreements entered into with our contract manufacturers to protect trade secrets and other proprietary rights that belong to us. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Any inability to patent new processes and protect our proprietary information or other intellectual property, could adversely affect our business.

**28. *Our Promoters have provided personal guarantees for our loans, and any failure or default by us to repay such loans in accordance with the terms and conditions of the financing documents may adversely affect our Promoters’ ability to manage our affairs.***

We have obtained loans in the ordinary course of business for the purposes of capital expenditure, vehicle purchase, working capital and other business requirements from our lenders: YES Bank Limited, Axis Bank Limited, HDFC Bank Limited and Standard Chartered Bank. Our Promoters, Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia have provided personal guarantees to secure our existing borrowing and may post listing continue to provide such guarantees.

In case of a default under our loan agreements, any of the guarantees provided may be invoked, which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations, financial conditions and prospects and would negatively impact our reputation. Further, if any of these guarantees are revoked by our Promoters, our lenders may require alternate security or guarantees and may seek early repayment or terminate such facilities. We may not be successful in providing alternate guarantees satisfactory to the lenders, and as a result may be required to repay outstanding amounts or seek additional sources of capital. Any such event could adversely affect our financial condition and results of operations. For further details regarding loans availed by our Company, please refer “*Financial Indebtedness*” on page 298 of this Draft Red Herring Prospectus.

In case the aforesaid lenders recall the amount lent to the Company, either in part or full, our Company shall be required in such a case to repay the entirety of the loans together with accrued interest and other outstanding amounts payable in relation to the facility to the aforesaid lenders. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. If any of lenders of these borrowings seek the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought, which in turn may impact our reputation and consequently our business.

**29. *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.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution. Our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “*Objects of the Offer*” beginning on page 80.

**30. *Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our Manufacturing Facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include insurance for (i) workmen compensation; (ii) consequential loss (fire) of profit; (iii) Directors’ and officers’ insurance and COVID-19 coverage insurance for our employees; (iv) money in safe and in transit; (v) public liability (including industrial risk); and (vi) marine cargo. As of March 31, 2021, our gross block of total fixed tangible assets and inventory was ₹1765.91 million and ₹603.63 million, respectively and the insurance coverage on such assets and inventory was ₹2,100.85 million and ₹750 million, respectively, or 118.97% and 124.24% of the total value of fixed assets and inventory, respectively.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. There has been an instance in the past of an insurance claim made by us getting rejected. 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. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which 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, cash flows and financial performance could be adversely affected. For instance, there was a recent incidence of fire at our Sachin Facility on February 26, 2021, damaging the Company’s property, plant and equipment, raw material, packing material, stores and consumables, resulting in loss amounting to ₹ 107.49 Million. Our Company currently is in the process of filing an insurance claim in this regard.

**31. *If we inadvertently infringe on the patents of others, we may be subjected to legal action and our business and reputation may be adversely affected.***

We operate in an industry characterized by extensive patent litigation, including both litigation by innovator companies relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. The occurrence of any of these events could subject us to legal action and adversely affect our business, reputation, cash flows and results of operations.

**32. *Our inability to fulfil our export obligation under the DEEC scheme could subject us to payment of customs duties together with interest thereby adversely impacting our financial condition.***

Our company has obtained advance licenses under the Duty Exemption Entitlement Certificate (“DEEC”) scheme, which enables us for duty free import of inputs required for manufacturing of our export bound products. Such benefits are subject to fulfillment of time bound export obligations as may be specified. The value and quantity of each item permitted under DEEC imports are specified in the advance license, which are issued on pre-export or post-export basis and are subject to fulfilment of time bound export obligation.

As on April 30, 2021, we have a net export obligation of ₹185.17 million. Any failure on our part to achieve required export obligation will subject us to an obligation to pay the customs duty saved amounting to ₹6.88 million.

**33. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.***

We have incurred significant indebtedness of ₹ 1,482.01 million as of April 30, 2021. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders *inter alia* to:

- create or permit to subsist any encumbrance, mortgage or charge over all or any of its secured assets;
- deal with or dispose of or create any third-party rights in any of its secured assets;
- enter into any contractual obligations of a long-term nature which would affect its financial position to a significant extent;
- effect any changes in its capital structure including but not limited to merger, amalgamation, reconstruction or consolidation;
- formulate any scheme of amalgamation with any other borrower or reconstruction or acquire any other borrower; and
- effect any material change in the management/ ownership of the borrower.

In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Our failure to meet our obligations under the debt financing agreements, including our repayment obligations under the financing arrangements could have an adverse effect on our business, results of operations, cash flows and financial condition. For details in connection with our indebtedness, please see “Financial Indebtedness” on page 298 of this Draft Red Herring Prospectus.

**34. *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.***

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer’s financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful



receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. Any increase in our receivable turnover days 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.

**35. *A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from Axis Bank Limited, which is an affiliate of one of the BRLMs, namely Axis Capital Limited.***

We propose to repay certain loans obtained from Axis Bank Limited, from the Net Proceeds as disclosed in “*Objects of the Offer*” on page 80. Axis Bank Limited is an affiliate of one of the BRLMs, namely Axis Capital Limited. For further details, see “*Objects of the Offer*” on page 80.

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

Our business operations are heavily dependent on continuous and supply of electricity, water, gas and steam which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured from Gujarat Industrial Development Corporation and certain other third party sources, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

**37. *All our operations are operated on industrial land allotted to us by GIDC on a leasehold basis. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

We carry out our business, research and operations on industrial land allotted to us by Gujarat Industrial Development Corporation (“GIDC”) on a leasehold basis, in terms of which we are required to comply with certain ongoing conditions. If we fail to meet any such conditions, we may be required to incur liability. Further, according to the various statutory rules governing GIDC functioning, GIDC also retains the power to cancel allotment of land in the event of breach of any rules of allotment. Cancellation of the land allotted to us due to, among other things, non-compliance of the conditions of the offer-allotment letter could have an impact on our financial condition, which could adversely impact our results of operations and financial condition.

**38. *The Company has not made provision for decline in the value of certain investments made by the Company.***

Our Company has made certain investments, including overseas investments, for which the provision for decline in value of investment of the Company has not been made. If provision is made in the future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an impact on our results of operations and financial conditions. For more details, please see “*Financial Statements*” on page 210.

**39. *Any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize the Net Proceeds for the following purposes: (a) Repayment/prepayment of certain indebtedness availed by our Company; (b) Funding working capital requirements; and (c) General corporate purposes. For further details of the proposed objects of the Offer, see the section “*Objects of the Offer*”, beginning on page 80 of this Draft Red Herring Prospectus.

At this juncture, 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 Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as will be disclosed in this Draft Red Herring Prospectus 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 utilisation 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, the Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Offer, at a price and manner as may be prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders 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 which may be 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, 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 redeploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operation.

***40. Although our Group Company is undertaking different businesses in the pharma sector, the charter documents of our Group Company has objects similar to the objects of our Company, which may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial conditions and results of operations.***

Our Group Company, Ami Lifesciences Private Limited, is operating in the pharma sector and engaged in the business of inter-alia manufacturing of APIs and other research and development activities and could offer services that are related to the business of our Company. The constitutional documents of our Group Company authorises them to conduct business similar to that of our Company. Although, as on date of this Draft Red Herring Prospectus, the aforesaid company is not into the manufacturing of the same products as our Company, future conflicts of interests may arise in allocating business opportunities among our Company and Group Companies in circumstances where our respective interests diverge. Further, our Promoters may become involved in ventures that may potentially compete with our Company. We have not entered into any non-compete agreement with any of our Group Companies and/ or our Promoters. We cannot assure you that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

***41. We may face liability if we inappropriately disclose confidential customer information which could adversely affect our financial condition and results of operations.***

Our Company is frequently provided with access to our customers' proprietary intellectual property and confidential information. Although there have been no instances of security breaches in the past, we cannot assure you that our customers' intellectual property and confidential information is adequately safeguarded. Further, there may be inappropriate disclosure of customer confidential information for reasons other than misappropriation, such as a breach of our computer systems, system failures or otherwise, for which we may have substantial liabilities to our customers. While we have not been subject to any security breaches in the past, particularly in relation to confidential information, there can be no assurance that such security breaches shall not occur in the future and our customers may assert claims against us for damages they might suffer due to breach of confidentiality or loss of data on the occurrence of unanticipated events. Such risks, whether actual or perceived, may adversely affect our growth strategy.

In addition, we may not always be aware of intellectual property registrations or applications belonging to our customers. We cannot assure you that we will adequately address the risks created by any contractual or legal obligations that we are bound by. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or sue us for breach of contract, resulting in the associated loss of revenue and increased costs. As a result, if our customers'

proprietary rights are misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us in addition to seeking termination of the contract. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial legal fees. We may also be subject to civil or criminal liability if we are deemed to have violated applicable regulations. Any such acts could also cause us to lose existing and future business and damage our reputation in the pharmaceutical industry in India.

**42. We are involved in certain outstanding tax proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.**

There are outstanding tax proceedings involving our Company, our Promoters and our Directors which are pending adjudication. For further details of material legal proceedings involving our Company, our Promoters and our Directors, see “*Outstanding Litigation and Other Material Developments*” on page 301 of this Draft Red Herring Prospectus. The table below sets forth details of certain outstanding tax proceedings against our Company, Promoters and Directors.

- ***Tax proceedings involving the Company***

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	7	12.76
Indirect tax	1	3.48
<b>Total</b>	<b>8</b>	<b>16.24</b>

\* To the extent quantified.

- ***Tax proceedings involving the Directors***

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	3	0.17
Indirect tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.17</b>

\* To the extent quantified

- ***Tax proceedings involving the Promoters***

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	2	0.16
Indirect tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>0.16</b>

\* To the extent quantified

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. We cannot assure you that these legal proceedings will be decided in favor of our Company, our Promoters or our Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. In the event of adverse rulings in these proceedings or consequent actions by regulatory and other statutory authorities, our Company, Directors or Promoters may need to make payments, which may adversely affect our profitability, reputation, business, results of operations and financial condition. Additionally, we have on certain occasions in the past, been delayed in the payment of statutory dues, income tax demands and repayment of dues to financial institution(s), including in relation to TDS, GST, income tax demand and ESIC. We cannot assure you that we will pay all our statutory dues, income tax demands and repayment of dues to financial institution(s) on time in the future, the failure of which will lead to imposition of interests, penalties and may lead to potential defaults on our part, which may have an adverse impact on our results of operations in such future fiscal periods.

**43. *We require a number of approvals, licences, registrations and permits to operate our business and the failure to obtain or renew these licences in a timely manner, or at all, may have an adverse effect on our business, results of operations and financial condition.***

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business and for our Manufacturing Facilities. A majority of these approvals are granted for a limited duration. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance 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 case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings. Additionally, the currently applicable approvals and licenses in relation to the Ankleshwar and Jhagadia plants which we acquired from GOL, are in the name of GOL and in the process of being transferred to the name of our Company. We cannot assure you the time which such transfer shall take place to complete, or if at all such transfer shall be completed.

While we are required to obtain a number of approvals for legally conducting our business operations and we shall submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see “Government and Other Approvals” on page 305.

**44. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, 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, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**45. *The industry we operate in is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition and cash flows.***

Our industry is highly competitive market with several major players present, and therefore it is challenging to improve market share and profitability. Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations, cash flows and financial condition.

Further, some of our competitors may be consolidating and integrating, and the strength of combined companies could affect our competitive position in our business areas. Consolidated corporations may have greater financial, manufacturing, R&D, marketing and other resources, broader product ranges and larger, stronger sales forces, which may make them more competitive than us. Pricing pressure could also arise due to the consolidation in trade channels and the formation of large buying groups, like we have witnessed in

the United States. Additionally, if one of our competitors or their customers acquire any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material or component, which may adversely affect our business, results of operations, cash flows and financial condition.

Being a REACH registered supplier of pharmaceutical products to vendors in the EU countries, our Company enjoys a significant advantage over non-REACH registered suppliers since as per a recent regulation, drugs exported by manufacturers from non-EU countries which are not REACH registered have been barred from being imported in the EU countries. If such bar were to be removed, our clients in EU countries would be able to procure their raw materials from our competitors thereby affecting our revenues and market capitalisation.

***46. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of April 30, 2021, we had 500 permanent employees. 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.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. India has stringent labour legislation 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.

***47. The industry in which we operate is capital intensive, and we may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing and in a timely manner could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing and in a timely manner could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

***48. We are dependent on a number of key personnel, including 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 our senior management and key managerial personnel are valuable for the 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. The following are the relevant details of the promoters/ directors/ key managerial personnel who have in-depth knowledge of the operation, technology, financial and investment aspects and management of the pharmaceuticals industry:

S. No.	Name	Designation	Area of Expertise
1.	Nareshkumar Ramjibhai Patel	Executive Chairman and Managing Director	Product selection & development and Marketing
2.	Chetankumar Chhaganlal Vaghasia	Whole-Time Director	Procurement, Human Resource Management, IT
3.	Virendra Nath Mishra	Whole-Time Director	Operations
4.	Ajit Kumar Choubey	Head of Research & Development	Technology, Research & Development
5.	Abhishek Haribhai Patel	Chief Financial Officer	Finance
6.	Ekta Kumari Srivastava	Company Secretary & Compliance Officer	Company Law
7.	Gaurav Pravin Bhandari	Marketing Manager	Marketing
8.	Hemantkumar Mahendrabhai Patel	General Manager- Human Resource Department	Management of Human Resource
9.	Mithilesh Kumar	D.G.M. – Operation Department	Operations
10.	Rajeev Kumar Dubey	General Manager – R&D	Research & Development

For further details, see “Our Management” and “Our Promoters and Promoter Group” on pages 182 and 201 of this Draft Red Herring Prospectus, 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 qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition.

**49. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.**

We depend upon information technology systems, including internet-based systems, for our business operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although we have not experienced any significant disruptions to our information technology systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations and cash flows.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

**50. Certain of our Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits.**

Certain of our Directors, as reproduced below, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the

shareholding of their relatives in our Company. We cannot assure you that our Directors and our key managerial personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)
1.	Nareshkumar Ramjibhai Patel	4,003,710	12.71
2.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83
3.	Virendra Nath Mishra	630,000	2.00

**51. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.**

As on the date of this DRHP, we have certain contingent liabilities. If at any time we are compelled to realize all or a material proportion of these contingent liabilities or if certain contingent liabilities which we have not provided for eventually materialise, it may have an adverse effect on our business, financial condition and results of operations.

Sr. No	Particulars	Amount (₹ million)**
1.	Disputed tax liabilities*	3.48

\*1. The Company has contingency relating to notices under Section 148(1) of the Income Tax Act, 1961, received for re-assessment of assessment years 2012-13, 2013-14, 2015-16 and 2017-18 for which liability cannot be quantifiable, as the order from the assessing officer is still pending.

2. Show cause notice issued under Rule 14 of CCR, 2014 on August 11, 2016, for utilisation of CENVET Credit of Service tax of ₹ 3.48 million, order from assessing officer is still pending.

\*\* To the extent quantifiable.

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

We have 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 information relating to our related party transactions, see “Restated Consolidated Financial Statements – Related Party Transactions” on page 259. 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. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

Details of related party transactions entered into by us during Fiscals 2021, 2020 and 2019, are as follows:

(₹ in million)			
Nature of transaction	Fiscal 2021	Fiscal 2020	Fiscal 2019
Investment in Joint Venture	-	31.54	5.29
Purchase /Advances for Land	108.00	-	3.00
Remuneration & Allowance to KMP, Relatives of KMP & Independent Directors	55.22	55.04	39.85
Subscription Expense & Exhibition Expense / Reimbursement of Expenses	2.02	4.60	2.01
Loan Taken	-	7.00	75.00
Loan Repayment	64.93	38.86	1.50

**53. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.**

Our Company has not declared any dividend in the last three Fiscals. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems

relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

**54. *We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition.***

In recent years, we have experienced significant growth. Our revenue from operations, on a consolidated basis, grew at a CAGR of 19.50% between Fiscals 2019 and 2021. Our growth strategy includes expanding our existing business and product portfolio in specific therapeutic areas. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our product portfolio. For instance, we have recently acquired manufacturing plants in Ankleshwar and Jhagadia from Gujarat Organics Limited on a slump sale basis in line with our strategies to attain inorganic growth opportunities. Pursuant to the acquisition, the Ankleshwar and Jhagadia units which includes, *inter alia*, the property, plant and equipment, tangible and intangible assets, identified employees, license stood transferred to our Company. We cannot guarantee that we will be able to on a sustainable basis, manage the growth, integration, profitability, scale and operations of the Ankleshwar and Jhagadia units. Further, if we are unable to manage any future capital expenditure at our Ankleshwar and Jhagadia units, it may lead to time and cost over-runs.

Accordingly, our ability to sustain and manage our growth, including by way of such inorganic growth, depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining scientists, marketing representatives, maintaining effective risk management policies, continuing to offer products which are relevant to our customers, developing and maintaining our Manufacturing Facilities and ensuring a high standard of product quality. Our failure to do any of the preceding could adversely affect our business, results of operations and financial condition and cash flows.

**55. *Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoters and Promoter Group currently own 15,658,710 Equity Shares, aggregating to 49.71% of our Equity Shares. Following the completion of the Offer, our Promoters and Promoter Group will continue to hold a significant percentage of our post-Offer Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association and any assignment or transfer of our interest in any of our licenses. In addition, if Our Promoters and Promoter Group do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. Moreover, our Promoters are not obligated to provide any business opportunities to us. If our Promoters and Promoter Group invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

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

In Fiscal 2021, we imported raw materials amounting to ₹ 510.21 million, which amounted to 26.78% of our total expenses incurred on raw materials. Some of our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to take any action if it deems that the chemicals proposed to be imported may cause major accidents or stop an import of chemicals based on safety and environmental considerations. We are unable to assure you that such regulations (including stringent anti-dumping measures) would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any



restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

***57. We have entered into an agreement to acquire certain land from our Promoter Shital Nareshbhai Patel and Promoter and Executive Director, Chetankumar Chhaganlal Vaghasia is interested.***

Our Company has entered into an agreement to sale dated November 28, 2020 (“**Sale Agreement**”) with Chetankumar Chhaganlal Vaghasia, and Shital Nareshbhai Patel for purchase of land situated at Block No, 97, Surat District, Sub-District Surat, Village Kosmandi, Tal. Kamrej, upon satisfaction of certain conditions precedent as specified in the Sale Agreement. The total consideration for which the land is agreed to be purchased is ₹ 130.50 million. For further details, see “*Our Management – Interest of Directors – Interest in Land and Property*” on page 187.

Our Company entered into an agreement of leasehold rights transfer dated September 12, 2018 (“Lease Rights Agreement”) with Shivay Enterprises Limited, a firm in which our Directors, Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia were partners, for the acquisition of leasehold rights over land and building situated at Shed No. C1/469, GIDC, Sachin, Surat admeasuring 703 square meters. A total consideration of ₹3.00 million paid by our Company pursuant to the Lease Rights Agreement. Our Directors have disassociated from Shivay Enterprises on account of its dissolution on February 20, 2020. For details, please see the section titled “*Our Promoters and Promoter Group – Companies or Firms with which our Promoters have disassociated in the last three years*” on page 203.

***58. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, Frost & Sullivan, to prepare an industry report titled “*Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market*” dated May 27, 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. 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.

## **EXTERNAL RISK FACTORS**

### ***Risks Relating to India***

***59. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

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 elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, 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 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.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**60. *Natural 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 earthquakes), epidemics, pandemics such as COVID-19, 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. While we believe that the COVID-19 pandemic has not adversely affected our operations, we cannot assure you that it will not adversely affect us in the future. 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 or countries to who we export our products 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 COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian 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.

**61. *Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations and financial condition.***

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB-with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**63. 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, 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. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. 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.

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

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which could ultimately reduce the effective tax rate (on gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

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

Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by 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.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combined multiple taxes and levies by the central and state governments into a unified tax structure with effect from July 1, 2017.

For instance, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, the Government of India has notified the Finance Act, 2021 which has introduced various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Act, 2021 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. 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 affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

***65. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction.

Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**67. *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 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 Takeover Regulations.

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

Our Company is incorporated under the laws of India. Our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are 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. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. 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, 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.

## **RISKS RELATING TO THE OFFER AND THE EQUITY SHARES**

**69. *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 managerial personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; 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.

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

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 90 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

***71. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

**73. *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 with the Equity Shares 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 this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid 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 Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing 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.

**74. *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 the Promoters may adversely affect the trading price of the Equity Shares.***

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

**75. *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. 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 344.

**76. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, 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 Consolidated Financial Statements for Fiscals 2019, 2020 and 2021 have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, 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.

**77. *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 the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. 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.

**78. *Investors 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 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 by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company 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 our Company makes 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 such 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-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

**79. *The requirements of being a publicly listed company may strain our resources.***

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.



## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

Equity Shares offered	
Offer of Equity Shares <sup>(1)^(</sup>	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
Fresh Issue <sup>(1)^(</sup>	Up to [●] Equity Shares, aggregating up to ₹ 3,000 million
Offer for Sale <sup>(2)</sup>	Up to 6,059,600 Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion <sup>(5)</sup>	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	31,500,000 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “Objects of the Offer” on page 80 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

<sup>^</sup> Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.

(1) The Offer has been authorized by a resolution of our Board dated February 22, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 31, 2021.

(2) Each of the Selling Shareholders, have consented to participate in the Offer for Sale. The details of their respective Offered Shares are as follows:

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	Kiranben Girishbhai Chovatia	3,050,000	June 4, 2021
2.	Girishkumar Limbabbhai Chovatia	1,500,000	June 4, 2021
3.	Parul Chetankumar Vaghasia	700,000	June 4, 2021
4.	Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)	174,600	June 4, 2021
5.	Hina Indreshbhai Shah	87,300	June 4, 2021
6.	Harshad Ramlal Sheth	87,280	June 4, 2021
7.	Dhirajlal Amrutlal Amlani	76,200	June 4, 2021
8.	Vrushti Atulkumar Shah	75,000	June 4, 2021
9.	Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)	63,000	June 4, 2021
10.	Nishit Atulkumar Shah	55,920	June 4, 2021
11.	Surabhi Yash Shah	49,000	June 4, 2021
12.	Narmada Amrutlal Amlani	32,000	June 4, 2021

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
13.	Shanti Devi Kankaria	26,500	June 4, 2021
14.	Divya Mahendrakumar Kankaria	19,000	June 4, 2021
15.	Chovatiya Haresh H	15,000	June 4, 2021
16.	Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)	14,910	June 4, 2021
17.	Saryu Dhirajlal Amlani	14,500	June 4, 2021
18.	Koladia Mehul M	10,000	June 4, 2021
19.	Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)	8,700	June 4, 2021
20.	Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)	690	June 4, 2021

Each of the Selling Shareholders, severally and not jointly, have specifically confirmed that their respective portion of the Offered Shares are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations.

- (3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Offer Procedure” beginning on page 328.
- (4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the 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. In the event of an under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares offered pursuant to the Fresh Issue, followed by Allotment of Equity Shares offered by the Selling Shareholders.
- (5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 328.

For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 325 and 328, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 319.

## SUMMARY FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from our Restated Consolidated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for the Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations and are presented in the section “Restated Consolidated Financial Statements” on page 210.*

***[The remainder of this page has intentionally been left blank]***

**Restated Consolidated Summary Statement of Assets and Liabilities**

Amount in millions

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	1,606.05	621.83	576.66
Capital Work-In-Progress	2.00	117.07	19.63
Other Intangible Assets	257.01	230.08	211.11
Financial Assets			
(i) Investments	14.29	17.31	16.44
(ii) Other Financial Assets	27.06	29.55	23.00
(iii) Other Non-Current Assets	63.96	92.71	43.72
<b>Total Non-Current Assets</b>	<b>1,970.37</b>	<b>1,108.55</b>	<b>890.56</b>
<b>Current Assets</b>			
Inventories	603.63	523.42	386.69
Financial Assets			
(i) Trade Receivables	1,206.91	564.03	760.87
(ii) Cash and Cash Equivalents	26.85	38.22	4.94
(iii) Loans	3.34	2.77	1.79
Current Tax Assets(Net)	-	22.37	-
Other Current Assets	321.58	59.57	86.68
<b>Total Current Assets</b>	<b>2,162.31</b>	<b>1,210.37</b>	<b>1,240.97</b>
<b>Total Assets</b>	<b>4,132.68</b>	<b>2,318.92</b>	<b>2,131.52</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	315.00	105.00	105.00
b) Other Equity	1,354.33	1,013.14	717.20
<b>Total Equity</b>	<b>1,669.33</b>	<b>1,118.14</b>	<b>822.20</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	726.44	199.01	221.00
Provisions	43.68	24.38	11.37
Deferred Tax Liabilities (Net)	32.78	31.25	21.36
<b>Total Non-Current Liabilities</b>	<b>802.91</b>	<b>254.63</b>	<b>253.72</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	445.31	339.24	261.45
(ii) Trade Payables			
A.Total outstanding dues of micro enterprises and small enterprises	3.90	0.81	52.81
B.Total outstanding dues of other than micro enterprises and small enterprises	840.56	513.66	631.08
(iii) Other financial liabilities	197.89	72.02	80.79
Other Current Liabilities	151.60	16.38	24.39
Provisions	9.66	4.05	4.19
Current Tax Liability (Net)	11.52	-	0.89
<b>Total Current Liabilities</b>	<b>1,660.44</b>	<b>946.15</b>	<b>1,055.60</b>
<b>Total Liabilities</b>	<b>2,463.35</b>	<b>1,200.79</b>	<b>1,309.32</b>
<b>Total Equity and Liabilities</b>	<b>4,132.68</b>	<b>2,318.92</b>	<b>2,131.52</b>

**AMI ORGANICS LIMITED**  
(Formerly Known as Ami Organics Private Limited)  
CIN- U24100GJ2007PLC051093

**Restated Consolidated Summary Statement of Profit and Loss**

Amount in millions

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Revenue from operations	3,406.08	2,396.43	2,385.12
Other income	13.80	28.44	3.84
<b>Total Revenue (A)</b>	<b>3,419.88</b>	<b>2,424.86</b>	<b>2,388.96</b>
<b>Expenses</b>			
Cost of raw materials consumed	1,746.87	1,378.99	1,520.52
Changes in inventories of finished goods/traded goods and work-in-progress	48.14	(89.86)	(36.21)
Employee benefits expense	210.08	178.14	117.48
Finance costs	56.18	55.87	47.53
Depreciation and amortisation expense	41.88	35.18	26.00
Other expenses	599.47	519.00	362.54
<b>Total expenses (B)</b>	<b>2,702.61</b>	<b>2,077.32</b>	<b>2,037.85</b>
<b>Profit before tax</b>	<b>717.26</b>	<b>347.54</b>	<b>351.10</b>
Tax expense:			
- Current tax	175.64	67.98	96.92
- Deferred tax	1.63	4.86	21.23
	<b>177.27</b>	<b>72.84</b>	<b>118.15</b>
<b>Profit for the year</b>	<b>539.99</b>	<b>274.70</b>	<b>232.95</b>
<b>Other Comprehensive Income/(Loss)</b>			
<b>Items that may be reclassified to statement of profit and loss</b>			
Exchange difference on translation on Foreign Entity	(8.52)	27.52	13.11
<b>Items that will not be reclassified to statement of profit and loss</b>			
Remeasurement of defined employee benefit plans	(0.37)	(8.39)	1.53
Tax impact of items that will not be reclassified to statement of profit and loss	0.09	2.11	(0.45)
<b>Total comprehensive income for the year</b>	<b>531.19</b>	<b>295.94</b>	<b>247.15</b>
<b>Earnings per equity share</b>			
(1) Basic	17.14	8.72	7.40
(2) Diluted	17.14	8.72	7.40
Nominal value of equity shares	10.00	10.00	10.00

Restated Consolidated Summary Statement of Cash flows

Amount in millions

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Cash flow from/(used in) operating activities</b>			
Profit before tax	717.26	347.54	351.10
<b>Adjustment for:</b>			
Interest expense	51.08	53.22	44.49
Interest income	(1.95)	(0.94)	(0.68)
Depreciation and amortization	41.88	35.18	26.00
Unrealised exchange difference (net)	(2.13)	(12.60)	(9.70)
(Profit)/Loss from sale of Property, plant and equipment	0.18	7.70	-
Exchange Fluctuation on change on equity instruments	(8.52)	27.52	13.11
Remeasurement of defined employee benefit plans	(0.37)	(8.39)	1.53
<b>Operating Profit Before Working Capital Changes</b>	<b>797.42</b>	<b>449.22</b>	<b>425.86</b>
<b>Movement in working capital:</b>			
(Increase)/decrease in trade receivables	(641.70)	211.01	(244.02)
(Increase)/decrease in inventories	(80.21)	(136.73)	(112.80)
(Increase)/decrease in loans	(0.57)	(0.98)	(1.27)
(Increase)/decrease in other financial Assets	2.49	(6.56)	(5.78)
(Increase)/decrease in other Current Assets	(155.32)	5.05	(11.20)
Increase/(decrease) in trade payables	330.95	(170.99)	226.87
Increase/(decrease) in other current liabilities	135.22	(8.02)	3.56
Increase/(decrease) in provision	24.92	12.87	4.80
<b>Cash generated/(used) in operations</b>	<b>413.21</b>	<b>354.88</b>	<b>286.04</b>
Income taxes paid	(141.75)	(84.10)	(137.65)
<b>Net Cash flow from operating activities</b>	<b>271.45</b>	<b>270.77</b>	<b>148.38</b>
<b>Cash flow from/(used) investing activities</b>			
Payments Property, plant and equipment, (Including Capital WIP & Intangible Assets)	(1,065.78)	(216.06)	(213.88)
Interest received	1.95	0.94	0.68
Proceeds from sale of Property, plant and equipment (Including Capital WIP & Intangible Assets)	25.37	2.79	-
(Increase)/decrease in fixed deposit with bank	-	-	2.62
(Increase)/decrease in Investment	34.56	(27.11)	1.88
<b>Cash generated/(used) in investing activities</b>	<b>(1,003.90)</b>	<b>(239.44)</b>	<b>(208.70)</b>
<b>Cash flow from/(used in) financing activities</b>			
Proceed /(repayment) of borrowings (net)	772.16	55.15	100.72
Interest paid	(51.08)	(53.22)	(44.49)
<b>Cash generated/(used) in financing activities</b>	<b>721.08</b>	<b>1.94</b>	<b>56.22</b>
Effect of Exchange differences on translation of foreign currency cash and cash equivalents	0.01	-	(0.01)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(11.37)</b>	<b>33.27</b>	<b>(4.09)</b>
Cash and cash equivalent at beginning of year	38.22	4.94	9.03
Cash and cash equivalent at end of year	26.85	38.22	4.94
<b>Net increase/(decrease) as disclosed above</b>	<b>(11.37)</b>	<b>33.27</b>	<b>(4.09)</b>

## GENERAL INFORMATION

Our Company was initially formed as a partnership firm under the Partnership Act, 1932 as “Ami Organics” with effect from January 3, 2004 at Surat, India. The firm converted into a private limited company under the Companies Act, 1956 under the name of “Ami Organics Private Limited” with a certificate of incorporation dated June 12, 2007, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company, following which our Company’s name was changed to “Ami Organics Limited”, and a fresh certificate of incorporation was issued by the RoC on April 18, 2018. For further details, see “*History and Certain Corporate Matters*” on page 176.

### Registered and Corporate Office of our Company

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

#### **Ami Organics Limited**

Plot No. 440/4, 5 & 6

Road No. 82/A, G.I.D.C, Sachin

Surat – 394 230 Gujarat, India

**Telephone:** +91 261 2397193; +91 7227977744 and +91 7573015366

**Website:** www.amiorganics.com

For details of the changes in our Registered Office, see “*History and Certain Corporate Matters-Change in the Registered Office*” on page 176.

### Company Registration Number and Corporate Identity Number

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

- a. Registration number: 051093
- b. Corporate identity number: U24100GJ2007PLC051093

### The Registrar of Companies

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

ROC Bhavan, Opp. Rupal Park Society

Behind Ankur Bus Stop, Naranpura

Ahmedabad – 380 013 Gujarat, India

**Telephone:** +91 79 2743 8531

**Facsimile:** +91 79 2743 8371

### Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI’s online portal and has been emailed to 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/logininvaliduser.do>.

### Board of Directors

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

Name and designation on the Board	DIN	Address
Nareshkumar Ramjibhai Patel <i>Designation:</i> Executive Chairman and Managing Director	00906232	26, Sai Baba Nagar Soc, Nr. Katargam Fire Station, Katargam, Surat – 395 004, Gujarat, India
Chetankumar Chhaganlal Vagharia <i>Designation:</i> Whole-time Director	01375540	202/B, Indraprasth Complex, Opp. Naginawadi, Katargam, Sumul Dairy Road, Surat City – 395 004 Gujarat, India
Virendra Nath Mishra <i>Designation:</i> Whole-time Director	07815490	401, Vatika Apartment, Near Shikar Residency, Piplod, Surat City, Surat – 395007, Gujarat, India
Girikrishna Suryakant Maniar <i>Designation:</i> Independent Director	07515981	102, Shree Vastu Pooja CHS, Nr. Manish Park, Pump House, Andheri (East), Mumbai – 400 093 Maharashtra, India
Richa Manoj Goyal <i>Designation:</i> Independent Director	00159889	501, Prakruti Apt. Opp. Uma Bhavan, Bhatar Road, Surat – 395 017, Gujarat, India
Hetal Madhukant Gandhi <i>Designation:</i> Independent Director	00106895	B2/1203 Vivarea, Sane Guruji Marg, Near Jacob Circle, Mahalaxmi, Mumbai, Maharashtra- 400 011

For further details of our Board of Directors, see “*Our Management-Board of Directors*” on page 182.

### Company Secretary and Compliance Officer

Ekta Kumari Srivastava is the Company Secretary and Compliance Officer our Company. Her contact details are as follows:

Ekta Kumari Srivastava  
Ami Organics Limited  
Plot No. 440/4, 5 & 6  
Road No. 82/A, G.I.D.C, Sachin  
Surat – 394 230 Gujarat, India  
**Telephone:** +91 261 2397193  
**E-mail:** cs@amiorganics.com

### Book Running Lead Managers

**Intensive Fiscal Services Private Limited**  
914, 9th Floor, Raheja Chambers  
Free Press Journal Marg  
Nariman Point, Mumbai 400 021  
Maharashtra, India  
**Tel:** +91 22 2287 0443  
**E-mail:**  
amiorganics.ipo@intensivefiscal.com  
**Investor Grievance E-mail:**  
ipo@intensivefiscal.com  
**Website:** www.intensivefiscal.com  
**Contact Person:** Harish Khajanchi/Anand Rawal  
**SEBI Registration No.:** INM000011112

**Ambit Private Limited**  
Ambit House  
449, Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra, India  
**Tel:** + 91 22 6623 3000  
**E-mail:** ami.ipo@ambit.co  
**Investor Grievance E-mail:**  
customerservicemb@ambit.co  
**Website:** www.ambit.co  
**Contact Person:** Nikhil Bhiwapurkar/ Jaspreet Thukral  
**SEBI Registration No.:** INM000010585

**Axis Capital Limited**  
1<sup>st</sup> Floor, Axis House  
C 2 Wadia International Centre  
P. B. Marg, Worli  
Mumbai 400 025  
Maharashtra, India  
**Tel :** +91 22 4325 2183  
**E-mail:** ami.ipo@axiscap.in  
**Investor Grievance E-mail:**  
complaints@axiscap.in  
**Website:** www.axiscapital.co.in  
**Contact Person:** Mayuri Arya  
**SEBI Registration No.:** INM000012029

### 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-ordinator
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	All BRLMs	Intensive
2.	Due diligence of Company's operations / management / business plans /	All BRLMs	Intensive



Sr. No.	Activity	Responsibility	Co-ordinator
	legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities. Coordination for all agreements.		
3.	Drafting and approval of all statutory advertisement	All BRLMs	Intensive
4.	Drafting and approval of all publicity material other than statutory advertisement including media monitoring, corporate advertisement, brochure etc. and coordination for media compliance report	All BRLMs	Ambit
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency, Monitoring Agency and Banker(s) to the Offer	All BRLMs	Intensive
6.	Preparation of road show presentation and FAQs	All BRLMs	Ambit
7.	International institutional marketing strategy <ul style="list-style-type: none"> <li>Finalize the list and division of investors for one to one meetings, in consultation with the Company, and</li> <li>Finalizing the International road show schedule and investor meeting schedules</li> </ul>	All BRLMs	Ambit
8.	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"> <li>Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company.</li> <li>Finalizing the list and division of investors for one to one meetings, and</li> <li>Finalizing investor meeting schedules</li> </ul>	All BRLMs	Axis
9.	<ul style="list-style-type: none"> <li>Non-Institutional marketing of the Offer, which will cover, inter alia,</li> <li>Formulating marketing strategies for Non-Institutional Investors; Finalising media, marketing and public relations strategy</li> </ul>	All BRLMs	Ambit
10.	<ul style="list-style-type: none"> <li>Retail marketing of the Offer, which will cover, inter alia,</li> <li>Formulating marketing strategies, preparation of publicity budget</li> <li>Finalize Media and PR strategy</li> <li>Finalizing centres for holding conferences for press/media, investors and brokers;</li> <li>Finalising brokers for the Offer;</li> <li>Finalising collection centres; and</li> <li>Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum and distribution of the publicity and Offer material including offer documents, application forms and abridged prospectus</li> </ul>	All BRLMs	Axis
11.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading	All BRLMs	Axis
12.	Finalization of pricing, in consultation with the Company	All BRLMs	Ambit
13.	Post-Offer activities, which shall involve managing Anchor book related activities and submission of letters to regulators post completion of Anchor Offer, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the Offer and Self Certified Syndicate Banks to get quick estimates of subscription and advising the Issuer about the closure of the Offer, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-offer activity such as registrars to the Offer, Banker(s) to the Offer, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT. Coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	All BRLMs	Axis

### Legal Counsel to the Offer

#### **Khaitan & Co**

10<sup>th</sup> & 13<sup>th</sup> Floor, Tower 1C  
One World Centre  
841, Senapati Bapat Marg  
Mumbai 400 013

Maharashtra, India  
Telephone: +91 22 6636 5000

#### **Legal Counsel to the Selling Shareholders as to Indian Law**

##### **Link Legal**

Aiwan-e-Ghalib Complex,  
Mata Sundri Lane,  
New Delhi 110 002, India  
Telephone: +91 11 4651 1000

#### **Registrar to the Offer**

##### **Link Intime India Private Limited**

C101, 1<sup>st</sup> Floor, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083, Maharashtra, India  
**Tel:** +91 22 4918 6200  
**Email:** amiorganics.ipo@linkintime.co.in  
**Investor Grievance E-mail:** amiorganics.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)***

[•]

##### ***Refund Bank(s)***

[•]

##### ***Public Offer Bank(s)***

[•]

##### ***Sponsor Bank***

[•]

#### **Designated Intermediaries**

##### ***Self-Certified Syndicate Banks***

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> or at such other websites as may be prescribed by SEBI from time to time.

##### ***SCSBs and mobile applications enabled for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders 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>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) as updated from time to time.

### ***Syndicate SCSB Branches***

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

### ***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### ***Registrar and Share Transfer Agents***

The list of the CRTAs 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](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### ***Collecting Depository Participants***

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

### **Statutory Auditor to our Company**

#### **Maheshwari & Co., Chartered Accountants**

10-11 3<sup>rd</sup> Floor, Esplanade School Building

3, AK Naik Marg, Azad Maidan

Next to New Empire Cinema, Fort

Mumbai – 400 001

Maharashtra, India

**Telephone:** +91 2201 2620

**E-mail:** [cagattani@icai.org](mailto:cagattani@icai.org)

**ICAI Firm Registration Number:** 105834W

**Peer Review Certificate Number:** 012144

**Contact Person:** Pawan Gattani

### **Changes in Auditors**

There has been no change in our Statutory Auditors in the three years preceding the date of this Draft Red Herring Prospectus.

### **Bankers to our Company**

#### **Axis Bank Limited**

Surat Main Branch, Digvijay Towers

Opp St. Xavier School  
Ghod Dod Road, Surat 395 001  
**Tel:** +91261 408 2344; +91 94275 07979  
**Email:** ccsuhead@axisbank.com  
**Contact person:** Pratap Vaghela

**HDFC Bank Limited**

Swastik Universal, 13D, Dumas Road  
Near Valentines Cinema, Surat 395 007  
**Tel:** +91 96196 19822; +91 81408 69669  
**Email:** shruti.agarwal@hdfcbank.com/ naresh.kachhadia@hdfcbank.com  
**Contact person:** Shruti Agrawal / Naresh Kachhadia

**Standard Chartered Bank**

Standard Chartered Bank, CK Tower,  
Beside Sargam Shopping Centre, Dumas Road,  
Parle Point, Surat 395007  
**Tel:** +91 99096 02306  
**Email:** [nishant.chandak@sc.com](mailto:nishant.chandak@sc.com)  
**Contact Person:** Nishant Chandak

**Grading of the Offer**

No credit 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.

**Experts**

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

Our Company has received written consent dated June 4, 2021 from Maheshwari & Co., Chartered Accountants, to include their name as required under 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 May 7, 2021, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated June 4, 2021 on the statement of 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.

In addition, our Company has received written consent dated May 29, 2021 from Anil G. Panchal, Chartered Engineer, as chartered engineer to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of his certificate dated May 29, 2021 on our Company’s installed capacity, available capacity, production and capacity utilisation at our Manufacturing Facilities and certain details pertaining to our R&D and warehouse facilities.

**Monitoring Agency**

Our Company shall in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Net Proceeds. For details in relation to the proposed utilisation of the Net Proceeds, please see the section entitled “*Objects of the Offer*” on page 80.

**Credit Rating**

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

**Debenture Trustee**

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

## Green Shoe Option

No green shoe option is contemplated under the Offer.

## 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. The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. 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 investors, other than Retail Individual Bidders and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Bidders will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” beginning on pages 319 and 328, respectively.

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

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

For further details on the method and procedure for Bidding, see “*Offer Procedure*” beginning on page 328.

## Underwriting Agreement

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

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

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

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

The abovementioned underwriting commitment is indicative and will be finalized after determination of the 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 brokers with the Stock Exchange(s). [Our Board/[●] Committee], at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

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

## CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	50,000,000 Equity Shares of ₹10 each	500,000,000	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	31,500,000 Equity Shares of ₹10 each	315,000,000	[●]
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
	Offer of up to [●] Equity Shares aggregating up to ₹ [●] million <sup>(1)(2)</sup>	[●]	[●]
	<i>of which</i>		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million <sup>(1)(2)</sup>	[●]	[●]
	Offer for Sale of up to 6,059,600 Equity Shares aggregating up to ₹ [●] million <sup>(3)</sup>	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*</b>		
	[●] Equity Shares	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM RESERVE</b>		
	Before the Offer		Nil
	After the Offer		[●]

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

- (1) The Offer has been authorized by a resolution of our Board dated February 22, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 31, 2021.
- (2) Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.
- (3) Each of the Selling Shareholders have consented to participate in the Offer for Sale. Further, each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details on the authorization by each Selling Shareholder in relation to the Offered Shares, see "The Offer" on page 55.

### Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 176.

### 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	Reason/Nature of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
June 12, 2007	Initial subscription to the Memorandum of Association <sup>(1)</sup>	500,000	500,000	10	10	Other than Cash; allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited

Date of allotment	Reason/Nature of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
June 03, 2009	Further issue <sup>(2)</sup>	1,000,000	1,500,000	10	10	Cash
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder <sup>(3)</sup>	9,000,000	10,500,000	10	-	Bonus issue
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder <sup>(4)</sup>	21,000,000	31,500,000	10	-	Bonus issue

- (1) Initial subscription to the Memorandum of Association: 125,000 were allotted to Girishkumar Limbabbhai Chovatia, 62,500 were allotted to Nareshkumar Ramjibhai Patel, 62,500 were allotted to Chetankumar Chhaganlal Vaghasia, 25,000 were allotted to Jayeshbhai Hansrajibhai Chovatiya, 62,500 were allotted to Shital Nareshbhai Patel, 62,500 were allotted to Parul Chetankumar Vaghasia and 100,000 were allotted to Kiranben Girishbhai Chovatia.
- (2) 125,000 were allotted to Nareshkumar Ramjibhai Patel, 250,000 were allotted to Girishkumar Limbabbhai Chovatia, 125,000 were allotted to Chetankumar Chhaganlal Vaghasia, 125,000 were allotted to Shital Nareshbhai Patel, 125,000 were allotted to Parul Chetankumar Vaghasia and 250,000 were allotted to Kiranben Girishbhai Chovatia.
- (3) Bonus shares were issued as follows: 2,250,000 were allotted to Girishkumar Limbabbhai Chovatia, 1,125,000 were allotted to Nareshkumar Ramjibhai Patel, 1,125,000 were allotted to Chetankumar Chhaganlal Vaghasia, 1,125,000 were allotted to Shital Nareshbhai Patel, 1,125,000 were allotted to Parul Chetankumar Vaghasia, 2,100,000 were allotted to Kiranben Girishbhai Chovatia, 60,000 were allotted to Koladia Mehul M and 90,000 were allotted to Chovatiya Haresh H.
- (4) Bonus shares were issued as follows: 210,000 were allotted to Chovatiya Haresh H, 38,000 were allotted to Divya Mahendrakumar Kankaria, 3,903,620 were allotted to Girishkumar Limbabbhai Chovatia, 58,200 were allotted to Hina Indreshbhai Shah, 4,900,000 were allotted to Kiranben Girishbhai Chovatia, 140,000 were allotted to Koladia Mehul M, 2,669,140 were allotted to Nareshkumar Ramjibhai Patel, 64,000 were allotted to Narmada Amrutlal Amlani, 2,625,000 were allotted to Parul Chetankumar Vaghasia, 29,000 were allotted to Saryu Dhirajlal Amlani, 53,000 were allotted to Shanti Devi Kankaria, 2,625,000 were allotted to Shital Nareshbhai Patel, 58,200 were allotted to Shruti Lodha, 98,000 were allotted to Surabhi Yash Shah, 2,065,000 were allotted to Chetankumar Chhaganlal Vaghasia, 420,000 were allotted to Virendra Nath Mishra, 9,940 were jointly allotted to Amitaben Jolitbhai Shah and Jolitbhai Jasvantlal Shah, 116,400 were jointly allotted to Aruna Jayantkumar Pandya and Jayant Manubhai Pandya, 228,000 were allotted to Bhanuben Chhaganbhai Vaghasia, 227,000 were allotted to Chhagan Ramjibhai Vaghasia, 152,400 were allotted to Dhirajlal Amrutlal Amlani, 174,560 were allotted to Harshad Ramlal Sheth, 42,000 were jointly allotted to Jolitbhai Jasvantlal Shah and Amitaben Jolitbhai Shah, 5,800 were jointly allotted to Jyotiben Rakeshbhai Lahoti and Rakesh Baluram Lahoti, 37,280 were allotted to Nishit Atulkumar Shah, 460 were jointly allotted to Shah Disha Jolit and Jolitbhai Jasvantlal Shah and 50,000 were allotted to Vrushti Atulkumar Shah.

2. Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue as on date of this Draft Red Herring Prospectus:

Date of allotment	Reason/Nature of Allotment	No. of equity shares Allotted	Face Value (₹)	Issue price per equity share (₹)	Form of consideration
June 12, 2007	Initial subscription to the Memorandum of Association <sup>(1)</sup>	500,000	10	10	Allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder <sup>(2)</sup>	9,000,000	10	-	Bonus issue
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder <sup>(3)</sup>	21,000,000	10	-	Bonus issue

- (1) Initial subscription to the Memorandum of Association: 125,000 were allotted to Girishkumar Limbabbhai Chovatia, 62,500 were allotted to Nareshkumar Ramjibhai Patel, 62,500 were allotted to Chetankumar Chhaganlal Vaghasia, 25,000 were allotted to Jayeshbhai Hansrajibhai Chovatiya, 62,500 were allotted to Shital Nareshbhai Patel, 62,500 were allotted to Parul Chetankumar Vaghasia and 100,000 were allotted to Kiranben Girishbhai Chovatia.



- (2) Bonus shares were issued as follows: 2,250,000 were allotted to Girishkumar Limbabbhai Chovatia, 1,125,000 were allotted to Nareshkumar Ramjibhai Patel, 1,125,000 were allotted to Chetankumar Chhaganlal Vaghasia, 1,125,000 were allotted to Shital Nareshbhai Patel, 1,125,000 were allotted to Parul Chetankumar Vaghasia, 2,100,000 were allotted to Kiranben Girishbhai Chovatia, 60,000 were allotted to Koladia Mehul M and 90,000 were allotted to Chovatiya Haresh H.
- (3) Bonus shares were issued as follows: 210,000 were allotted to Chovatiya Haresh H, 38,000 were allotted to Divya Mahendrakumar Kankaria, 3,903,620 were allotted to Girishkumar Limbabbhai Chovatia, 58,200 were allotted to Hina Indreshbhai Shah, 4,900,000 were allotted to Kiranben Girishbhai Chovatia, 140,000 were allotted to Koladia Mehul M, 2,669,140 were allotted to Nareshkumar Ramjibhai Patel, 64,000 were allotted to Narmada Amrutlal Amlani, 2,625,000 were allotted to Parul Chetankumar Vaghasia, 29,000 were allotted to Saryu Dhirajlal Amlani, 53,000 were allotted to Shanti Devi Kankaria, 2,625,000 were allotted to Shital Nareshbhai Patel, 58,200 were allotted to Shruti Lodha, 98,000 were allotted to Surabhi Yash Shah, 2,065,000 were allotted to Chetankumar Chhaganlal Vaghasia, 420,000 were allotted to Virendra Nath Mishra, 9,940 were jointly allotted to Amitaben Jolimbhai Shah and Jolimbhai Jasantlal Shah, 116,400 were jointly allotted to Aruna Jayantkumar Pandya and Jayant Manubhai Pandya, 228,000 were allotted to Bhanuben Chhaganbhai Vaghasia, 227,000 were allotted to Chhagan Ramjibhai Vaghasia, 152,400 were allotted to Dhirajlal Amrutlal Amlani, 174,560 were allotted to Harshad Ramlal Sheth, 42,000 were jointly allotted to Jolimbhai Jasantlal Shah and Amitaben Jolimbhai Shah, 5,800 were jointly allotted to Jyotiben Rakeshbhai Lahoti and Rakesh Baluram Lahoti, 37,280 were allotted to Nishit Atulkumar Shah, 460 were jointly allotted to Shah Disha Jolit and Jolimbhai Jasantlal Shah and 50,000 were allotted to Vrushti Atulkumar Shah
3. Our Company has not issued any Equity Shares or preference shares out of its revaluation reserves at any time since incorporation.
  4. As on the date of this Draft Red Herring Prospectus, our Company does not have outstanding preference shares.
  5. Our Company does not have an employee stock option scheme as on the date of this Draft Red Herring Prospectus.
  6. Our Company has not issued or allotted any Equity Shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.
  7. All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
  8. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.
  9. Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus:

Nature of allotment	Allottees forming part of Promoter and Promoter Group	Issue price per equity share (₹)	Form of consideration
Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder <sup>(1)</sup>	i. Nareshkumar Ramjibhai Patel; ii. Shital Nareshbhai Patel; iii. Parul Chetankumar Vaghasia; iv. Chetankumar Chhaganlal Vaghasia; v. Chhagan Ramjibhai Vaghasia; and vi. Bhanuben Chhaganbhai Vaghasia.	-	Bonus issue

(1) Bonus shares were issued as follows: 210,000 were allotted to Chovatiya Haresh H, 38,000 were allotted to Divya Mahendrakumar Kankaria, 3,903,620 were allotted to Girishkumar Limbabbhai Chovatia, 58,200 were allotted to Hina Indreshbhai Shah, 4,900,000 were allotted to Kiranben Girishbhai Chovatia, 140,000 were allotted to Koladia Mehul M, 2,669,140 were allotted to Nareshkumar Ramjibhai Patel, 64,000 were allotted to Narmada Amrutlal Amlani, 2,625,000 were allotted to Parul Chetankumar Vaghasia, 29,000 were allotted to Saryu Dhirajlal Amlani, 53,000 were allotted to Shanti Devi Kankaria, 2,625,000 were allotted to Shital Nareshbhai Patel, 58,200 were allotted to Shruti Lodha, 98,000 were allotted to Surabhi Yash Shah, 2,065,000 were allotted to Chetankumar Chhaganlal Vaghasia, 420,000 were allotted to Virendra Nath Mishra, 9,940 were jointly allotted to Amitaben Jolimbhai Shah and Jolimbhai Jasantlal Shah, 116,400 were jointly allotted to Aruna Jayantkumar Pandya and Jayant Manubhai Pandya, 228,000 were allotted to Bhanuben Chhaganbhai Vaghasia, 227,000 were allotted to Chhagan Ramjibhai Vaghasia, 152,400 were allotted to Dhirajlal Amrutlal Amlani, 174,560 were allotted to Harshad Ramlal Sheth, 42,000 were jointly allotted to Jolimbhai Jasantlal Shah and Amitaben Jolimbhai Shah, 5,800 were jointly allotted to Jyotiben Rakeshbhai Lahoti and Rakesh Baluram Lahoti, 37,280 were allotted to Nishit Atulkumar Shah, 460 were jointly allotted to Shah Disha Jolit and Jolimbhai Jasantlal Shah and 50,000 were allotted to Vrushti Atulkumar Shah

# 10. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	6	1,56,58,710	0	0	1,56,58,710	49.71	1,56,58,710	0	1,56,58,710	49.71	0	0	0	0	0	0	1,56,58,710
(B)	Public	22	1,58,41,290	0	0	1,58,41,290	50.29	1,58,41,290	0	1,58,41,290	50.29	0	0	0	0	0	0	1,58,41,290
(C)	Non Promoter- Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>28</b>	<b>3,15,00,000</b>	<b>0</b>	<b>0</b>	<b>3,15,00,000</b>	<b>100.00</b>	<b>3,15,00,000</b>	<b>0</b>	<b>3,15,00,000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,15,00,000</b>

# 11. Other details of Shareholding of our Company

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 28 Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Kiranben Girishbhai Chovatia	6,090,000	19.33
2.	Girishkumar Limbabbhai Chovatia	4,595,430	14.59
3.	Nareshkumar Ramjibhai Patel	4,003,710	12.71
4.	Shital Nareshbhai Patel	3,937,500	12.50
5.	Parul Chetankumar Vaghasia	3,937,500	12.50
6.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83
7.	Dhwani Girishkumar Chovatia	2,520,000	8.00
8.	Virendra Nath Mishra	630,000	2.00
9.	Bhanuben Chhaganbhai Vaghasia	342,000	1.09
10.	Chhagan Ramjibhai Vaghasia	340,500	1.08
11.	Chovatiya Haresh H	315,000	1.00
	<b>Total</b>	<b>29,809,140</b>	<b>94.63</b>

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

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Kiranben Girishbhai Chovatia	6,090,000	19.33
2.	Girishkumar Limbabbhai Chovatia	4,595,430	14.59
3.	Nareshkumar Ramjibhai Patel	4,003,710	12.71
4.	Shital Nareshbhai Patel	3,937,500	12.50
5.	Parul Chetankumar Vaghasia	3,937,500	12.50
6.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83
7.	Dhwani Girishkumar Chovatia	2,520,000	8.00
8.	Virendra Nath Mishra	630,000	2.00
9.	Bhanuben Chhaganbhai Vaghasia	342,000	1.09
10.	Chhagan Ramjibhai Vaghasia	340,500	1.08
11.	Chovatiya Haresh H	315,000	1.00
	<b>Total</b>	<b>29,809,140</b>	<b>94.63</b>

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

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of the equity share capital (%)
1.	Kiranben Girishbhai Chovatia	2,450,000	23.33
2.	Girishkumar Limbabbhai Chovatia	2,074,110	19.75
3.	Nareshkumar Ramjibhai Patel	1,387,070	13.21
4.	Shital Nareshbhai Patel	1,312,500	12.50
5.	Parul Chetankumar Vaghasia	1,312,500	12.50
6.	Chetankumar Chhaganlal Vaghasia	1,032,500	9.83
7.	Pankti Dushyant Shah	122,700	1.17
8.	Dhirajlal Amrutlal Amlani	106,200	1.01
9.	Chovatiya Haresh H	105,000	1.00
	<b>Total</b>	<b>9,902,580</b>	<b>94.31</b>

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

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of the equity share capital (%)
1.	Kiranben Girishbhai Chovatia	2,450,000	23.33
2.	Girishkumar Limbabbhai Chovatia	1,365,000	13.00
3.	Shital Nareshbhai Patel	1,312,500	12.50
4.	Parul Chetankumar Vaghasia	1,312,500	12.50
5.	Nareshkumar Ramjibhai Patel	1,032,500	9.83
6.	Chetankumar Chhaganlal Vaghasia	1,032,500	9.83
7.	Pankti Dushyant Shah	280,000	2.67
8.	Harshad Ramlal Sheth	175,000	1.67
9.	Dhirajlal Amrutlal Amlani	161,000	1.53
10.	Aruna Jayantkumar Pandya (Jointly held with Jayant Manubhai Pandya)	140,000	1.33
11.	Belaben Dushyant Shah	140,000	1.33
12.	Dhara Dushyantbhai Shah	140,000	1.33
13.	Narmada Amrutlal Amlani	112,000	1.07
14.	Chovatiya Haresh H	105,000	1.00
15.	Surabhi Yash Shah	105,000	1.00
	<b>Total</b>	<b>9,863,000</b>	<b>93.93</b>

12. 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. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
13. 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.
14. ***Details of Shareholding of our Promoters and members of the Promoter Group in the Company***

**A. Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 14,976,210 Equity Shares, equivalent to 47.54 % of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below:

Sr No	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Nareshbhai Ramjibhai Patel	4,003,710	12.71	[●]	[●]
2.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83	[●]	[●]
3.	Shital Nareshbhai Patel	3,937,500	12.50	[●]	[●]
4.	Parul Chetankumar Vaghasia	3,937,500	12.50	[●]	[●]
	<b>Total</b>	<b>14,976,210</b>	<b>47.54</b>	<b>[●]</b>	<b>[●]</b>

\* Subject to finalisation of Basis of Allotment

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

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

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

Date of allotment/ Transfer / Transmission	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
<b>Nareshkumar Ramjibhai Patel</b>							
June 12, 2007	Initial subscription to the Memorandum of Association	62,500	Other than Cash; allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited	10	10	0.20	[●]
June 03, 2009	Further issue	125,000	Cash	10	10	0.40	[●]
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder	1,125,000	Bonus issue	10	-	3.57	[●]
May 18, 2018	Share transfer	(280,000) <sup>(1)</sup>	Cash	10	62	(0.89)	[●]
February 12, 2020	Share transfer	299,770 <sup>(2)</sup>	Cash	10	282	0.95	[●]
February 14, 2020	Share transfer	54,800 <sup>(3)</sup>	Cash	10	282	0.17	[●]
March 15, 2021	Share transfer	(52,500) <sup>(4)</sup>	Gift	10	-	(0.17)	[●]
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder	2,669,140	Bonus issue	10	-	8.47	[●]
<b>Total</b>		<b>4,003,710</b>				<b>12.71</b>	<b>[●]</b>
<b>Chetankumar Chhaganlal Vaghasia</b>							
June 12, 2007	Initial subscription to the Memorandum of Association	62,500	Other than Cash; allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited	10	10	0.20	[●]
June 03, 2009	Further issue	125,000	Cash	10	10	0.40	[●]
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder	1,125,000	Bonus issue	10	-	3.57	[●]
May 18, 2018	Share Transfer	(280,000) <sup>(5)</sup>	Cash	10	62	(0.89)	[●]
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder	2,065,000	Bonus issue	10	-	6.56	[●]
<b>Total</b>		<b>3,097,500</b>				<b>9.83</b>	
<b>Shital Nareshbhai Patel</b>							
June 12, 2007	Initial subscription to the Memorandum of Association	62,500	Other than Cash; allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited	10	10	0.20	[●]
June 3, 2009	Further issue	125,000	Cash	10	10	0.40	[●]
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder	1,125,000	Bonus	10	-	3.57	[●]

Date of allotment/ Transfer / Transmission	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder	2,625,000	Bonus	10	-	8.33	[●]
<b>Total</b>		<b>3,937,500</b>				<b>12.50</b>	
<b>Parul Chetankumar Vaghasia</b>							
June 12, 2007	Initial subscription to the Memorandum of Association	62,500	Other than Cash; allotment against conversion of Ami Organics, a partnership firm into Ami Organics Private Limited	10	10	0.20	[●]
June 3, 2009	Further issue	125,000	Cash	10	10	0.40	[●]
April 20, 2018	Bonus issue of equity shares in the ratio of six (6) Equity Shares for each Equity Share held by a shareholder	1,125,000	Bonus	10	-	3.57	[●]
March 31, 2021	Bonus issue of equity shares in the ratio of two (2) Equity Shares for each Equity Share held by a shareholder	2,625,000	Bonus	10	-	8.33	[●]
<b>Total</b>		<b>3,937,500</b>				<b>12.50</b>	<b>[●]</b>

- (1) 7000 Equity Shares were transferred to Shah Disha Jolit and Jolitbhai Jasvantlal Shah held jointly, 21,000 Equity Shares were transferred to Jolitbhai Jasvantlal Shah and Amitaben Jolitbhai shah held jointly, 70,000 Equity Shares were transferred to Divya Mahendrakumar Kankaria, 7,000 Equity Shares were transferred to Jyotiben Rakeshbhai Lahoti and Rakesh Baluram Lahoti held jointly, 35,000 Equity Shares were transferred to Hina Indreshbhai Shah, 35,000 Equity Shares were transferred to Vrute Atul Shah, 35,000 Equity Shares were transferred to Vrushti Atulkumar Shah, 35,000 Equity Shares were transferred to Nishit Atulkumar Shah and 35,000 Equity Shares were transferred to Amitaben Jolitbhai Shah and Jolitbhai Jasvantlal Shah held jointly..
- (2) 51,000 Equity Shares were transferred from Divya Mahendrakumar Kankaria, 26,000 Equity Shares were transferred from Shanti Devi Kankaria, 56,000 Equity Shares were transferred from Surabhi Yash Shah, 80,000 Equity Shares were transferred from Saryu Dhirajlal Amlani, 80,000 Equity Shares were transferred from Narmada Amrutlal Amlani and 6,770 Equity Shares were transferred from Shah Disha Jolit and Jolitbhai Jasvantlal Shah held jointly.
- (3) 54,800 Equity Shares transferred from Dhirajlal Amrutlal Amlani.
- (4) 52,500 Equity Shares were transferred to Virendra Nath Mishra.
- (5) 126,000 Equity Shares were transferred to Dhirajlal Amrutlal Amlani, 42,000 Equity Shares were transferred to Narmada Amrutlal Amlani, 42,000 Equity Shares were transferred to Saryu Dhirajlal Amlani and 70,000 Equity Shares were transferred to Surabhi Yash Shah.

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.

#### B. Members of the Promoter Group

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

Sr No	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Chhagan Ramjibhai Vaghasia	340,500	1.08	[●]	[●]
2.	Bhanuben Chhaganbhai Vaghasia	342,000	1.09	[●]	[●]
	<b>Total</b>	<b>682,500</b>	<b>2.17</b>	<b>[●]</b>	<b>[●]</b>

\* Subject to finalisation of Basis of Allotment.

None of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. However, following are the details of certain transfer of Equity Shares by and to members of the Promoter Group, the Promoters and Directors:

- (i) Nareshkumar Ramjibhai Patel, one of our Promoters transferred 52,500 Equity Shares to Virendra Nath Mishra, our Whole-time Director pursuant to a gift deed dated March 15, 2021;
- (ii) Virendra Nath Mishra, our Whole-time Director received 157,500 Equity Shares from Girishkumar Limbabbhai Chovatia pursuant to a gift deed dated March 17, 2021;
- (iii) Chhagan Ramjibhai Vaghasia, a member of our Promoter Group received 113,500 Equity Shares from Girishkumar Limbabbhai Chovatia pursuant to a gift deed dated March 5, 2021; and
- (iv) Bhanuben Chhaganbhai Vaghasia, a member of our Promoter Group received 114,000 Equity Shares from Girishkumar Limbabbhai Chovatia pursuant to a gift deed dated March 5, 2021.

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

#### 15. Details of Promoters' contribution and lock-in for three years

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

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

*Note: To be updated at the Prospectus stage.*

*\* Subject to finalisation of Basis of Allotment.*

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

- (iii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-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.
- (iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
  - The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- No Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

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

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

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

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

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

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

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

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

- (a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer.

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

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

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

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



21. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
22. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
23. None of the Directors or Key Managerial Personnel of our Company, except Nareshkumar Ramjibhai Patel, Chetankumar Chhaganlal Vaghasia and Virendra Nath Mishra, hold any Equity Shares in our Company. For details, see *"Our Management"* on page 182.
24. 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.
25. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company 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.
26. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.
27. Except for Parul Chetankumar Vaghasia who is offering her portion of Offered Shares in the Offer for Sale, none of our Promoters or members of our Promoter Group will participate in the Offer.
28. Except for 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 this Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

## OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 3,000 million by our Company and an Offer for Sale of up to 6,059,600 Equity Shares, aggregating to ₹ [●] million by the Selling Shareholders.

### Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to the proceeds from the Offer for Sale, net of their respective portion of the Offer related expenses and relevant taxes thereon. For further details, please see “-Offer Expenses” on page 87.

### Fresh Issue

The net proceeds of the Fresh Issue, i.e., Gross proceeds of the Fresh Issue less the Offer expenses apportioned to our Company (“**Net Proceeds**”) are proposed to be utilised in the following manner:

1. Repayment/prepayment of certain financial facilities availed by our Company;
2. Funding working capital requirements of our Company; and
3. General corporate purposes.

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges, to enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects and the matters which are necessary for furtherance of the main objects of our MoA enables our Company to undertake the activities for which the funds are being raised in the Fresh Issue.

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below.

(In ₹ million)

S. No	Particulars	Amount
1.	Gross proceeds of the Fresh Issue <sup>(1)(2)</sup>	Up to ₹ 3,000.00
2.	Less: Offer Expenses <sup>(3)</sup>	[●] <sup>(1)</sup>
3.	<b>Net Proceeds</b>	[●] <sup>(1)</sup>

<sup>(1)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

<sup>(2)</sup> Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

<sup>(3)</sup> See “- Offer Expenses” below.

### Proposed schedule of Implementation and Utilization of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(in ₹ million)

S. No	Particulars	Amount to be financed from the Net Proceeds	Estimated utilisation of Net Proceeds	
			Fiscal 2022	Fiscal 2023
1.	Repayment/prepayment of certain financial facilities availed by our Company	1,400.00	1,400.00	-
2.	Funding working capital requirements of our Company	900.00	500.00	400.00
3.	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]
	<b>Total Net Proceeds</b>	[●]	[●]	[●]

<sup>(1)</sup> 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 25.00% of the gross proceeds from the Fresh Issue.

The requirement and deployment of funds as indicated above are based on our internal management estimates, prevailing market conditions and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the funding requirement for a particular object or increasing or decreasing the amounts earmarked towards any of the objects at the discretion of our management, subject to compliance with applicable law. For details, see *“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 37.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects during Fiscals 2022 to 2023. If the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the gross proceeds from the Fresh Issue in accordance with applicable law. Further, in case of any variations in the actual utilisation of funds earmarked towards the objects set forth above, then any increased fund requirements for a particular object may be financed by surplus funds (subject to utilisation towards general corporate purposes does not exceed 25% of the gross proceeds from the Fresh Issue), if any, available in respect of the other objects for which funds are being raised in this Offer. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned objects, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

## **Details of the Objects**

### **1. Repayment of loans**

Our Company has entered into borrowing arrangements with banks and financial institutions including borrowings in the form of terms loans and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see *“Financial Indebtedness”* on page 298.

Our Company intends to utilize ₹ 1,400.00 million of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on certain loans availed by our Company and the accrued interest thereon. 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 our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Also, our Company may avail additional loan facilities or draw down on in its working capital facilities from time to time to meet its business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon), any additional facilities obtained by our Company or working capital borrowings outstanding at the time utilising the Net Proceeds. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹1,400.00 million. We believe that such repayment or 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 this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (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) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii)

other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

Sr. No.	Name of the Lender	Initial date of Sanction	Nature of loan	Sanctioned Amount (in ₹ million)	Outstanding amount as on April 30, 2021 (in ₹ million) <sup>(1)</sup>	Interest rate as on April 30, 2021	Repayment schedule	Purpose for which the loan was sanctioned
1	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960543	19.80	15.36	6.50%	Monthly	Capital expenditure
2	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960608	26.70	22.37	6.50%	Monthly	Capital expenditure
3	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960611	52.10	47.30	6.50%	Monthly	Capital expenditure
4	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960624	10.00	9.22	6.50%	Monthly	Capital expenditure
5	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960666	33.50	30.94	6.50%	Monthly	Capital expenditure
6	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 960763	72.50	69.18	6.50%	Monthly	Capital expenditure
7	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 921060052764769	477.50	442.91	6.50%	Monthly Moratorium period: 3 months	Acquisition of Jhagadia Facility
8	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Term loan facility – 921060052764772	172.50	143.78	6.50%	Monthly Moratorium period: 3 months	Acquisition of Ankleshwar Facility
9	Axis Bank Limited <sup>(2)</sup>	February 25, 2021	ECLGS Loan	45.10	45.14	6.50%	Monthly Moratorium period: 12 months	Working capital
10	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Cash Credit Facility	315.00	284.30	6.50%	On demand	Working capital
11	Axis Bank Limited <sup>(2)</sup>	March 03, 2021	Export Packing Credit Facility	100.00	49.42	6.50%	On demand	Working capital
12	HDFC Bank Limited	January 29, 2021	Term Loan Facility	43.50	39.33	6.50%	Monthly	Capital expenditure
13	HDFC Bank Limited	January 29, 2021	Cash credit facility	239.00	234.17	7.00%	On demand	Working capital
Total				<b>1,607.20</b>	<b>1,433.42</b>			

<sup>(1)</sup> The amount outstanding as of April 30, 2021, has been certified by our Statutory Auditors Ms. Maheshwari & Co, Chartered Accountant, by way of their certificate dated June 4, 2021. Further, our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed.

<sup>(2)</sup> Axis Bank Limited is an affiliate of one of our Lead Managers, Axis, and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. For details, see “Risk Factors -A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from Axis Bank Limited, which is an affiliate of one of the BRLMs, namely Axis Capital Limited” on page 39.

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, redeemed (earlier or scheduled), refinanced or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds of the Issue towards prepayment, repayment or redemption (earlier or scheduled) 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 have significant working capital requirements and we fund our working capital requirements in the ordinary course of business from our internal accruals, financing facilities from various banks and financial institutions.

Our Company requires additional working capital for funding future growth requirements of our Company and for other strategic, business and corporate purposes. The funding of the working capital requirements of our Company is expected to lead to an increase in our profitability.

### *Basis of estimation of working capital requirement and estimated working capital requirement*

The details of our Company's working capital as at March 31, 2020 and March 31, 2021 and source of funding of the same are provided in the table below:

(₹ in million)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2021
A	Current Assets		
	Inventories		
	Raw Materials including consumables	299.48	393.70
	Work-in-progress	136.87	87.31
	Finished goods	87.07	122.63
	Financial assets		
	Trade receivables	525.10	1,187.23
	Other financial assets*	2.77	3.34
	Other Current assets	81.94	321.58
	<b>Total current assets (A)</b>	<b>1,133.23</b>	<b>2,115.79</b>
B	Current Liabilities		
	Financial liabilities		
	Trade payables	514.19	844.47
	Other financial liabilities	16.07	3.28
	Other current liabilities and provisions	20.43	172.78
	<b>Total Current Liabilities (B)</b>	<b>550.69</b>	<b>1,020.52</b>
C	Working capital gap (A-B)	582.54	1,095.27
D	Source of finance		
	Working capital funding from bank	339.24	445.31
	Internal accruals / reserves	243.30	649.95
	<b>Total Source of Finance</b>	<b>582.54</b>	<b>1,095.27</b>

As certified by our Statutory Auditors pursuant to their certificate dated June 4, 2021.

\* Other Financial Assets excludes Cash and Cash Equivalents.

For details with respect to working capital funding availed by our Company as of April 30, 2021 from banks, see "Financial Indebtedness" on page 298.

The Board of Directors of our Company pursuant to its resolution dated June 4, 2021 has approved the working capital requirements of our Company, details of which are provided below.

The details of our Company's projected working capital requirements for the Fiscal 2022 and Fiscal 2023 and funding of the same are as provided in the table below:

(₹ in million)

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2023
A	Current Assets		
	Inventories		
	Raw Materials including Consumables	652.71	804.80
	Work-in-Progress	161.16	198.72
	Finished Goods	201.45	248.39
	Financial Assets		
	Trade Receivables	1,317.71	1,652.44

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2023
	Other Financial Assets*	3.68	4.05
	Other Current Assets	159.17	192.02
	<b>Total Current Assets (A)</b>	<b>2,495.88</b>	<b>3,100.41</b>
B	Current Liabilities		
	Financial Liabilities		
	Trade Payables	725.23	745.18
	Other Current Liabilities & Provisions	34.37	39.32
	<b>Total Current Liabilities (B)</b>	<b>759.60</b>	<b>784.51</b>
C	Working Capital Gap (A-B)	1,736.28	2,315.90
D	Source of Finance		
	Working Capital Funding from Bank	-	-
	Internal Accruals / Reserves	1,236.28	1,415.90
	Proceeds from the Fresh Issue	500.00	900.00 <sup>#</sup>
	<b>Total Source of Finance</b>	<b>1,736.28</b>	<b>2,315.90</b>
E	Amount proposed to be utilised from Net Proceeds	500.00	400.00

\* Other Financial Assets excludes Cash and Cash Equivalents.

<sup>#</sup> Cumulative amount for two fiscals.

As certified by our Statutory Auditors pursuant to their certificate dated June 4, 2021.

#### Assumptions for working capital requirements

Holding levels and justifications for holding period levels on the basis of restated standalone financial statements.

Sr. No.	Particulars	Holding levels on the basis of	No. of Days			
			March 31, 2020 (actual)	March 31, 2021 (actual)	March 31, 2022 (assumed)	March 31, 2023 (assumed)
1.	<b>Inventories</b>					
	Raw Materials including Consumables	Cost of materials consumed	85	80	81	81
	Work-in-Progress	Cost of materials consumed	39	18	20	20
	Finished Goods	Cost of materials consumed	25	25	25	25
	<b>Total Inventories</b>	<b>Cost of materials consumed</b>	<b>148</b>	<b>123</b>	<b>126</b>	<b>126</b>
2.	Trade Receivables	Revenue from Operations	81	129	90	90
3.	Trade Payables	Cost of materials consumed	146	172	90	75

Justifications for holding period levels

Sr. No.	Particulars*	Assumptions and Justifications*
1.	Inventory	<p><i>Raw material:</i></p> <p>Our Company procures raw materials which is essential for manufacturing the products from domestic and international vendors. 37.38% and 26.78% of our cost of raw materials in Fiscal 2020 and Fiscal 2021 were on imported raw materials. Our Company maintained an inventory of raw material required for 85 days and 80 days in Fiscals 2020 and 2021, respectively. Such inventory is essential for our Company to ensure uninterrupted production. Accordingly, our Company has assumed raw material inventory of 81 days of its cost of material consumed for Fiscals 2022 and 2023.</p> <p><i>Work in Progress:</i></p> <p>Historically, work in progress inventory has been 39 days and 18 days of cost of</p>

Sr. No.	Particulars*	Assumptions and Justifications*
		<p>materials consumed for Fiscals 2020 and 2021, respectively. Accordingly, our Company has assumed work in progress inventory of 20 days of cost of material consumed for Fiscals 2022 and 2023.</p> <p><i>Finished Goods:</i></p> <p>Historically, in order to ensure timely availability of products to our customers, our Company has maintained finished goods inventory of 25 days in Fiscals 2020 and 2021. Accordingly, our Company has assumed finished goods inventory of 25 days of cost of material consumed for Fiscals 2022 and 2023.</p>
2.	Trade receivables	The general credit term of our Company is 80-100 days and this credit term varies across type of customers. Accordingly, our Company has assumed trade receivables of 90 days of revenue from operations for the Fiscals 2022 and 2023. It is pertinent to note that in Fiscal 2021, the general term of days for trade receivables were higher, in light of the two new acquisitions from Gujarat organics limited through slump sale on March 31, 2021.
3.	Trade payables	Company's trade payables predominantly comprise of payables towards purchase of raw materials and packaging materials. The trade payable days were 146 days and 172 days of cost of material consumed for Fiscals 2020 and 2021, respectively. It is pertinent to note that in Fiscal 2021 the days required for trade payables were higher in light of the two new acquisitions from Gujarat organics limited through slump sale on March 31, 2021. Our Company has assumed trade payables to be 90 days and 75 days of cost of material consumed in Fiscals 2022 and 2023, respectively. This is expected to enable our Company to get better terms from our vendors.
4.	Other current assets	Other current assets include capital advances to vendors, balance with revenue authorities including subsidies receivables, insurance claim receivables and prepaid expenses. Our Company is expecting a growth in such current assets due to expected growth in our business.
5.	Other current liabilities and provisions	Our Company's other current liabilities and provisions include salary and wages payable, statutory dues, advances from customer and other expenses payable. Our Company is expecting an increase in these current liabilities and provisions due to the expected growth in our business.

\*Pursuant to the certificate dated June 4, 2021, issued by Statutory Auditors.

### 3. General corporate purposes

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds from Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- (i) funding growth opportunities, including acquisitions;
- (ii) servicing our repayment obligations (principal and interest) under our future financing arrangements;
- (iii) capital expenditure, including towards development/refurbishment/renovation of our assets;
- (iv) meeting ongoing general corporate purposes or contingencies; and/or
- (v) strategic initiatives.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilizing surplus amounts, if any.

### Means of Finance

The fund requirements set out above are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR



Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from Offer.

### Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with 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, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds.

### Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, fees payable to the BRLMs, legal counsel, Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The break-up for the estimated Offer expenses are set forth below:

Activity	Estimated expenses <sup>#(1)</sup> (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
BRLMs' fees and commissions (including underwriting commission)	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate Members, SCSBs, the Registered Brokers, RTAs and CDPs, as applicable <sup>(2)</sup>	[●]	[●]	[●]
Processing fees to the SCSBs and the to Sponsor Bank for ASBA Forms procured by Registered Brokers, RTAs or CDPs <sup>(3)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
i. Listing fees, SEBI filing fees, upload fees, Stock Exchanges processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii. Printing and stationery expenses	[●]	[●]	[●]
iii. Advertising and marketing expenses	[●]	[●]	[●]
iv. Fees payable to legal counsel	[●]	[●]	[●]
v. Fees payable to the Monitoring Agency	[●]	[●]	[●]
vi. Miscellaneous	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

<sup>#</sup> Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

<sup>(1)</sup> Exclusive of applicable taxes. Offer expenses are estimates and are subject to change.

<sup>(2)</sup> Selling commission payable to the Syndicate Members, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:

Portion for Retail Individual Bidders	[●]%(plus applicable goods and services tax)
Portion for Non-Institutional Bidders	[●]%(plus applicable goods and services tax)

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the

*Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).*

<sup>(3)</sup> *Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).*

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

<i>RTAs / CDPs/ Registered Brokers/ Syndicate Members</i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)</i>
<i>Sponsor Bank</i>	<p><i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)</i></p> <p><i>The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.</i></p>

Subject to applicable law, other than the listing fees, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholders, on a pro-rata basis, in proportion to the number of Equity Shares, Allotted by the Company in the Fresh Issue and sold by the Selling Shareholders in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of their respective proportion of Offer related expenses, directly from the Public Offer Account. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

### **Monitoring of Utilization of Funds**

[●] shall be appointed as the Monitoring Agency for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus, as our Offer size exceeds ₹ 1,000 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation 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 utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal 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 utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 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 utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

### **Variation in objects of the Offer**

In accordance with Sections 13(8) and 27 of the Companies Act, 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 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to Sections 13(8) and 27 of the Companies Act, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act and the SEBI ICDR Regulations.

#### **Appraising Entity**

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

#### **Other Confirmations**

No part of the Net Proceeds will be paid to our Promoters, Directors, our Group Company or our Key Managerial Personnel, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Managerial Personnel, our Group Company or our Joint Venture in relation to the utilization of the Net Proceeds of the Offer.

## BASIS FOR THE 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 offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Restated Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 146, 23, 210 and 269, respectively, to have an informed view before making an investment decision.

### Qualitative factors

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

- a. Strong and diversified product portfolio ably supported by strong R&D and process chemistry skills;
- b. Extensive geographical presence and diversified customer base with long standing relationships;
- c. High entry barriers in the chemicals manufacturing industry in which the Company operates;
- d. Strong sales and marketing capabilities;
- e. Experienced and Dedicated Management Team; and
- f. Consistent financial performance.

For further details, see “*Our Business –Our Strengths*” on page 147.

### Quantitative factors

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

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

#### I. Basic and diluted earnings per share (“EPS”)

As per the Restated Consolidated Financial Information:

Fiscal/Period	Basic and Diluted EPS (₹)	Weight
2021	17.14	3
2020	8.72	2
2019	7.40	1
<b>Weighted Average</b>	<b>12.71</b>	

Notes:

- (1) 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.
- (2) Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/weighted average number of equity shares.
- (3) The earnings per share figure for the year ended March 31, 2020 and March 31, 2021 have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33
- (4) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Statements as appearing in “*Restated Consolidated Financial Statements*” beginning on page 210.

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

Particulars	P/E at Floor Price (number of times)	P/E at Cap Price (number of times)
Based on basic EPS for Fiscal 2021	[●]	[●]
Based on diluted EPS for Fiscal 2021	[●]	[●]

#### III. Industry Peer Group P/E ratio

	P/E Ratio
Highest	67.45
Lowest	33.16
Industry Composite	44.82

Note:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “- Comparison with listed industry peers”

#### IV. Average Return on Net Worth (“RoNW”)

Financial Year ended	RoNW (%)	Weight
Fiscal 2021	32.35	3
Fiscal 2020	24.57	2
Fiscal 2019	28.33	1
<b>Weighted Average</b>	<b>29.09</b>	

Notes:

- (1) Return on Net Worth (%) = Net profit after tax before other comprehensive income (as restated) divided by net worth at the end of the year/period.
- (2) Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.
- (3) The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

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

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	52.99
Offer Price*	[●]
After the Offer*	[●]

\* To be updated in the Prospectus.

Notes:

- (1) Net Asset Value per Equity Share = Net worth at the end of the respective period / Number of equity shares outstanding as at the end of respective period
- (2) Net worth has been computed as a sum of paid-up share capital and other equity.

#### VI. Comparison with listed industry peers

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

Name of the company	Face Value (₹ per share)	Revenue for financial year 2021 (₹ in million)	EPS for financial year 2021 (₹)		NAV per equity share <sup>(2)</sup>	P/E (based on Diluted EPS) <sup>(3)</sup>	Return on Net Worth <sup>(4)</sup>
			Basic <sup>(1)</sup>	Diluted <sup>(1)</sup>			
Ami Organics Limited*	10	3,406.08	17.14	17.14	52.99	-	32.35%
<b>Listed peers</b>							
Aarti Industries Ltd	5	45,061.00	30.04	30.04	201.05	56.98	14.94%
Hikal Ltd	2	17,204.40	10.80	10.80	75.70	35.44	14.27%
Valiant Organics Ltd	10	7,548.08	44.68	40.97	184.97	37.11	22.81%
Vinati Organics Ltd	1	9,542.58	26.20	26.20	150.16	67.45	17.45%
Neuland Laboratories Ltd	10	9,369.13	62.85	62.85	612.99	33.02	10.25%
Atul Ltd	10	37,314.70	221.17	221.17	1,293.31	38.74	17.14%

\* Financial information of our Company is derived from the Restated Consolidated Financial Statements for the Financial Year ended March 31, 2021.

Notes:

- (1) Basic EPS and Diluted EPS per share mentioned in the above table are as reported by the respective companies in the relevant annual reports/results for Fiscal 2021/Q4FY21.
- (2) Net asset value per share (NAV) is computed as Consolidated net worth attributable to the equity shareholders for the year end / Number of Equity Shares outstanding at the year end.
- (3) P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 1, 2021 divided by the Diluted EPS provided under Note 1 above.

<sup>(4)</sup> *Return on net worth% (RoNW) is computed as Consolidated profit for the year available for the equity shareholders / Consolidated Net worth attributable to equity shareholders for the year end.*

Investors should read the above mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 23, 146, 269 and 210, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To

### **The Board of Directors**

Ami Organics Limited  
Plot No. 440/4, 5 & 6  
Road No. 82/A, GIDC Sachin  
Surat – 394 230  
Gujarat

### **Intensive Fiscal Services Private Limited**

914, 9th Floor, Raheja Chambers  
Free Press Journal Marg  
Nariman Point  
Mumbai 400 021  
Maharashtra, India

### **Ambit Private Limited**

Ambit House,  
449 Senapati Bapat Marg,  
Lower Parel,  
Mumbai 400 013  
Maharashtra, India

### **Axis Capital Limited**

Axis House, First Floor  
C-2, Wadia International Centre  
Pandurang Budhkar Marg  
Worli  
Mumbai 400 025  
Maharashtra, India

**Sub: Statement of possible special tax benefits available to Ami Organics Limited (“Company”) and its shareholders of the Company prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”)**

1. We, Maheshwari & Co., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialled by us for identification purpose (“**Statement**”) for the proposed initial public offering of equity shares of the Company (“**Offer**”), provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, , the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2020, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the ICDR Regulations. While the term ‘*special tax benefits*’ has not been defined under the ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Annexure A. Any benefits under the taxation laws other than those specified in the Annexure A are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the Annexure A have not been examined and covered by this statement.

3. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether:
  - the Company or its shareholders will continue to obtain these benefits in the future; or
  - the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
6. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
7. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.
8. 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.
9. We hereby consent to the extracts of this certificate and the Statement being used in the Draft Red Herring Prospectus, the Red Herring Prospectus, The Prospectus and in any other material used in connection with the Offer and other Offer related materials.

For **MAHESHWARI & CO.**  
Chartered Accountants  
(Firm Registration Number: 105834W)

**Pawan Gattani**  
(Partner)  
Membership Number: 144734

Place of Signature: Mumbai  
Date: June 04, 2021  
UDIN: 21144734AAAACW9316



## **Annexure A**

### **Statement of Tax Benefits**

#### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO AMI ORGANICS LIMITED (FORMERLY KNOWN AS AMI ORGANICS PRIVATE LIMITED) (“THE COMPANY”) AND ITS SHAREHOLDERS**

##### **a. Special tax benefits available to the Company**

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

##### **b. Special tax benefits available to Shareholders**

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

#### **NOTES:**

This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them in any country other than India.

## SECTION IV - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

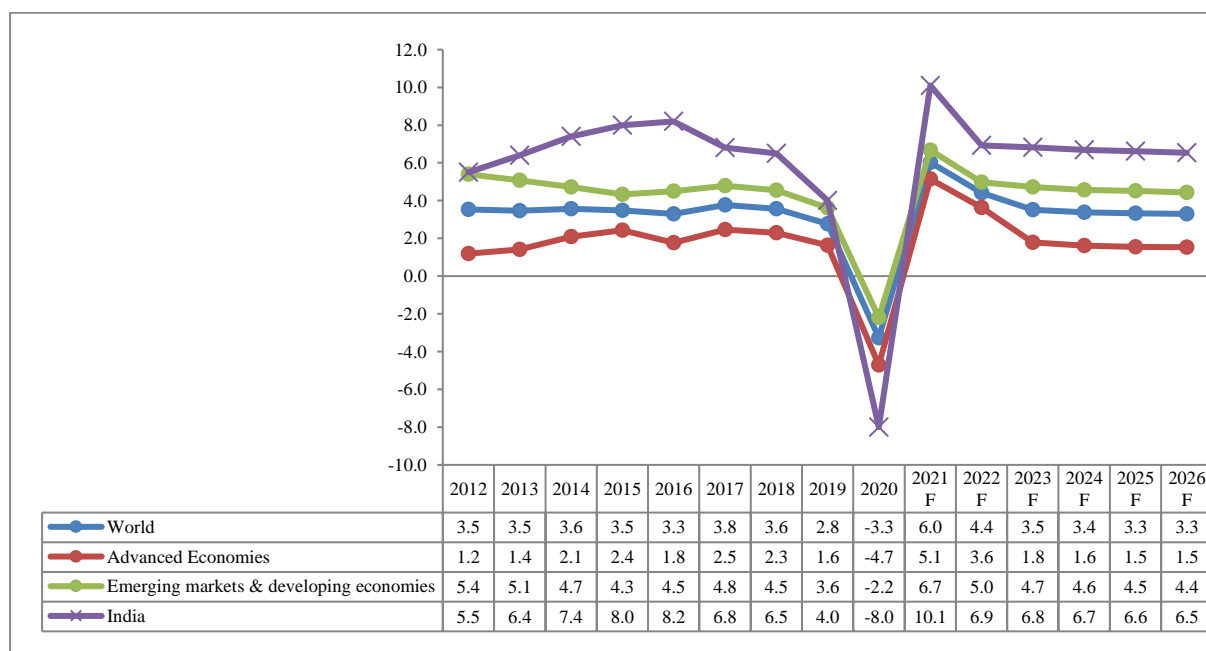
The information contained in this section, unless otherwise specified, is derived from a report titled “Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” dated May 27, 2021 prepared by Frost & Sullivan (the “F&S Report”), and commissioned by our Company in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. See “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 13.

#### Macroeconomic Overview – Global

##### Gross Domestic Product (GDP) Growth

The baseline forecast envisions a 6.0% growth in global GDP in 2021. 2020 experienced downfall of nearly -3.3% in Global GDP. Using market exchange rate weights—this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The deep recession triggered by this pandemic is expected to have short-term repercussions like low investments with the erosion of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy will be healthy, with the demand expected to soar back to its pre-COVID levels. This is expected to be driven by the increased government investments and incentive schemes.

##### Real GDP Growth (%) 2012- 2026F



Source: World Economic Outlook, International Monetary Fund Estimate, Moody's Outlook, Frost & Sullivan

The near-term outlook remains highly uncertain and different growth outcomes are still possible. A downside scenario in which infections continue to rise and the rollout of a vaccine is delayed could limit the global expansion to 1.6% in 2021. Meanwhile, in an upside scenario with successful pandemic control and a faster vaccination process, global growth could accelerate to nearly 6%.

## Chemicals - The Recovery Driver

The emerging market and developing economies are expected to lead the overall growth rebound, with the chemicals sector driving the growth story. As the chemical industry lies at the heart of several value chains and acts as a solution provider to other sectors of the economy, it plays a pivotal role in leading a sustainable recovery. As economies are gradually reopening for business, companies are turning their attention to recovery. As the market stands now, we forecast the following developments in the chemical industry over the mid-term (2-3 years).

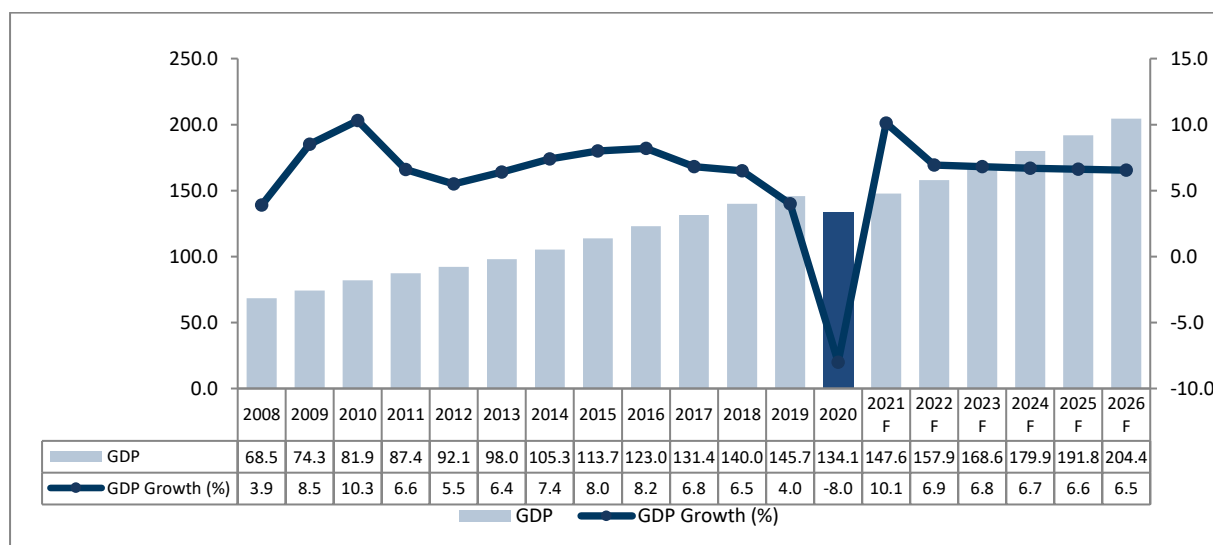
- **Specialty chemicals to drive growth, Agro-chemicals and Pharma-chemicals to be focus areas:** Post the opening of the lockdown across major global economies, the specialty chemical industry was amongst the first to recover, given the increasing need for its inputs towards essential supplies such as pharmaceuticals, personal health and hygiene and agrochemicals. This sector is expected to be the key driver for growth in the chemicals sector, out-pacing petrochemicals and other bulk chemicals in the next 2-3 years.
- **China's loss, India's gain:** Several global players are opting for a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs / Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. China's Chemical Industry is very large, approximately 10 times, as compared to India; even a small shift from China to India will be a big boost for India. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

## Macroeconomic Overview of India

### Gross Domestic Product (GDP) Growth and Outlook

An already-slowing Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March-2020 to halt the spread of Covid-19. India's GDP in 2020 contracted by 8.0% – for the first time in four decades. The recovery in 2021 is expected to be in double digit following a better start to the year as compared to 2020. Near-term prospects are favourable but second covid wave is a risk to recovery. However, the medium term growth outlook is expected to improve and record a growth rate of ~6.5% by 2025F, on an account of the strong macroeconomic fundamentals which include moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies.

### Real GDP Value, at constant price (INR 000'Bn) and Growth %, India, 2008 to 2026F

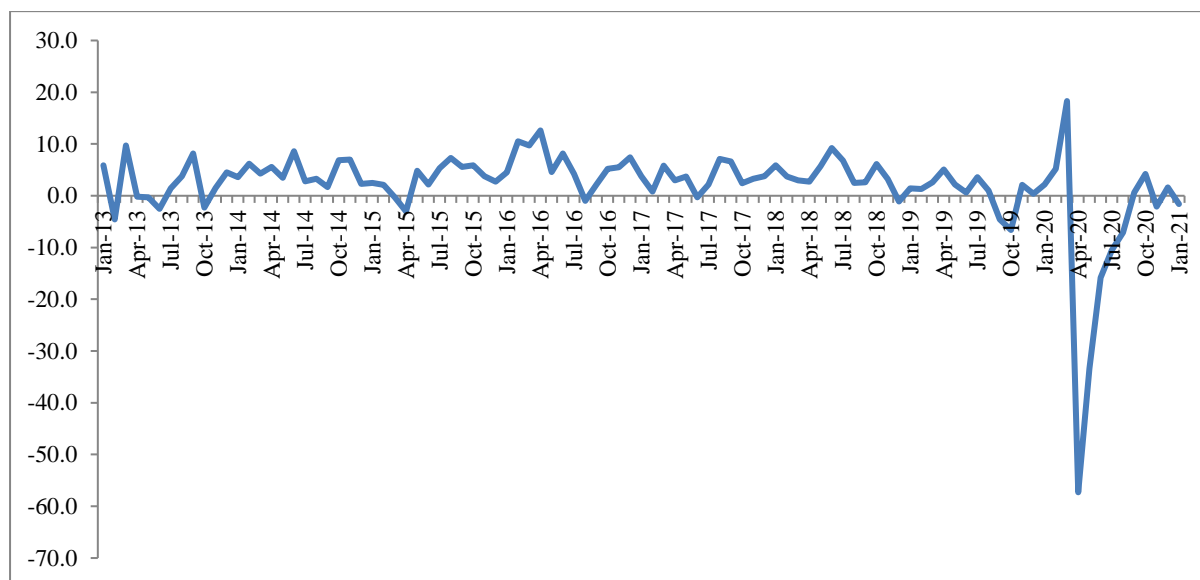


Source: Moody's Outlook, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

## Index of Industrial Production (IIP)

India's industrial production contracted in Jan 2021 to -1.6% from 2.2% in Jan 2020, underscoring the flattening of the recovery trend seen in Oct-Dec quarter. The fall also marked a weak start to the calendar year 2021. Second wave of Covid started in March-end of 2021. The new surge is taking place despite a year of awareness about the crying need to follow Covid-appropriate behaviour.

### IIP Growth (%) – 2013 – 2021E



Source: MOPSI

### Strong Growth Path

The government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In the current slowdown, India has several advantages and comforting factors including the following:

**Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020 announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy. Government seized the crisis to push forward long-pending industrial & other economic reforms in a least political resistant atmosphere.

- This campaign is especially expected to benefit the Specialty chemicals sector, with several players hoping to position themselves as an alternative to China as the coronavirus crisis prompts companies to diversify their supply chains.
- Govt. announced a production linked incentive (PLI) scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical Active Pharmaceutical Ingredients (APIs). Further, the government has also decided to develop three mega bulk drug parks in partnership with states. These schemes will likely appeal more to the smaller players and should foster more investments.
- The government is also in the process of launching a production-linked incentive (PLI) for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country.
- Specialty chemical companies will look at import substitution along with export opportunities to further drive their business. Historically, domestic consumption has been the driving metric for Specialty chemicals manufacturing in India, with exports playing a much smaller part – owing to reduced raw material availability,

higher utility tariffs and a stricter regulatory structure. However, owing to the current geo-political issues, India's focus on being a manufacturing hub for exports of specialty chemicals will increase, subsequently increasing the share of exports in the overall market.

**Aatmanirbhar Bharat Abhiyan - 02:** These announcements were made on 12th Oct 2020:

- Rs 25,000 crores provided as additional capital expenditure to Ministry of Road Transport and Ministry of Defence
- 11 States were sanctioned Rs. 3,621 crores as interest free loan towards capital expenditure

**Aatmanirbhar Bharat Abhiyan- 03:**

- Prime Ministers Rozgar Protsahan Yojana (PMRPY) was implemented upto 31.3.2019 to incentivize formalization and creation of new employment
- Total benefit of Rs. 8300 Crore has been given to 1,52,899 Establishments covering 1,21,69,960 Beneficiaries under PMRPY

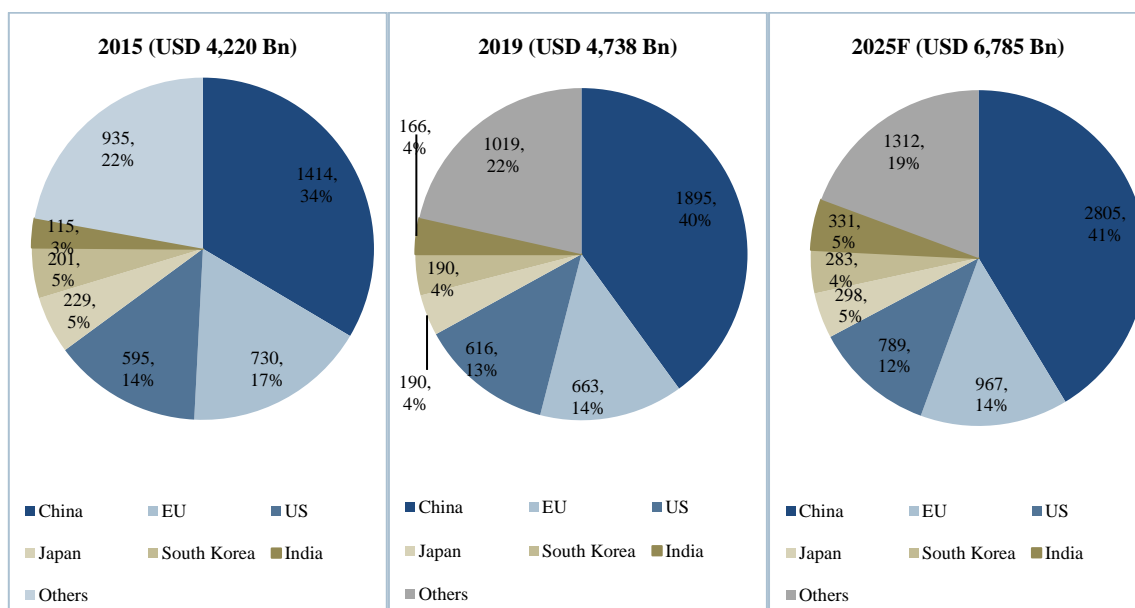
To sum up, India's growth story at a fast pace is likely to continue because of its strong macroeconomic fundamentals. The way forward is too uncertain and it is not possible to have a precise road map for the foreseeable future. However, given India's strong fundamentals and a clear roadmap to maintain the growth trajectory, the country will remain at the forefront of global economic growth.

## Global Chemical Industry Overview

### Global Chemicals Market

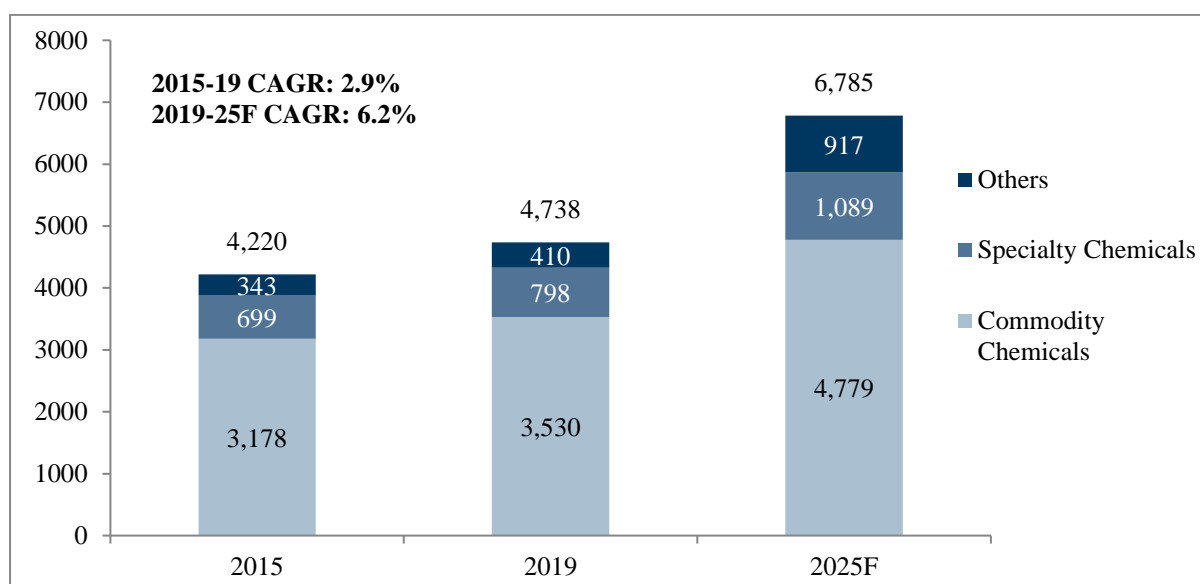
The global chemicals market is valued at around USD 4,738 Bn in 2019 with China accounting for major market share (40%) in the segment followed by European Union (14%) and United States (13%). India accounts for ~3.5% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,785 Bn by 2025. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2019-25F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.

**Global chemicals market, 2015, 2019 and 2025F, USD 4,220, USD 4,738 Bn and 6,785 Bn**



Source: Frost & Sullivan

### Global chemicals market, 2015, 2019 and 2025F



Source: Frost & Sullivan

Note: Others mainly include Biotech chemicals among others. Also note that the Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals and Petrochemicals outside of Bulk Chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories (Agrochemical and Fertilizers and Pharmaceuticals API) and the Commodity Chemicals section is inclusive of Petrochemicals.

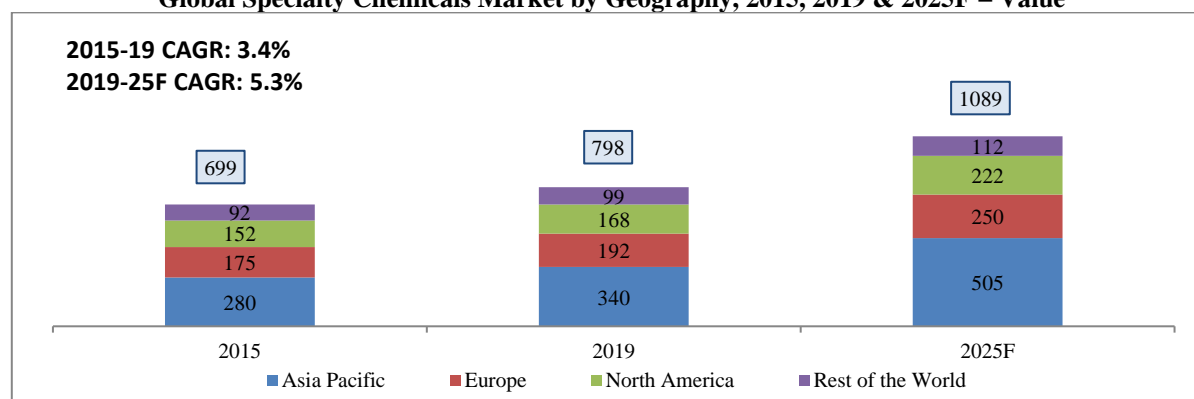
	Commodity Chemicals	Specialty Chemicals	Other Chemicals
2015-19	2.7%	3.4%	4.6%
2019-25F	5.2%	5.3%	14.3%

### Global Specialty Chemicals Market

Specialty chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end product. Specialty chemicals are more likely to be prepared and processed in batches. The focus is on value addition to the end-product and the properties or technical specifications of the chemical.

Rapid industrialisation in India and China is expected to drive demand for specialty chemicals. The Asia Pacific (APAC) dominates the market across the world, with a share of 42% in 2019, owing to the huge customer base, leading to high demand for specialty chemicals, increasing industrial production, and robust growth of the construction sector in the region.

### Global Specialty Chemicals Market by Geography, 2015, 2019 & 2025F – Value



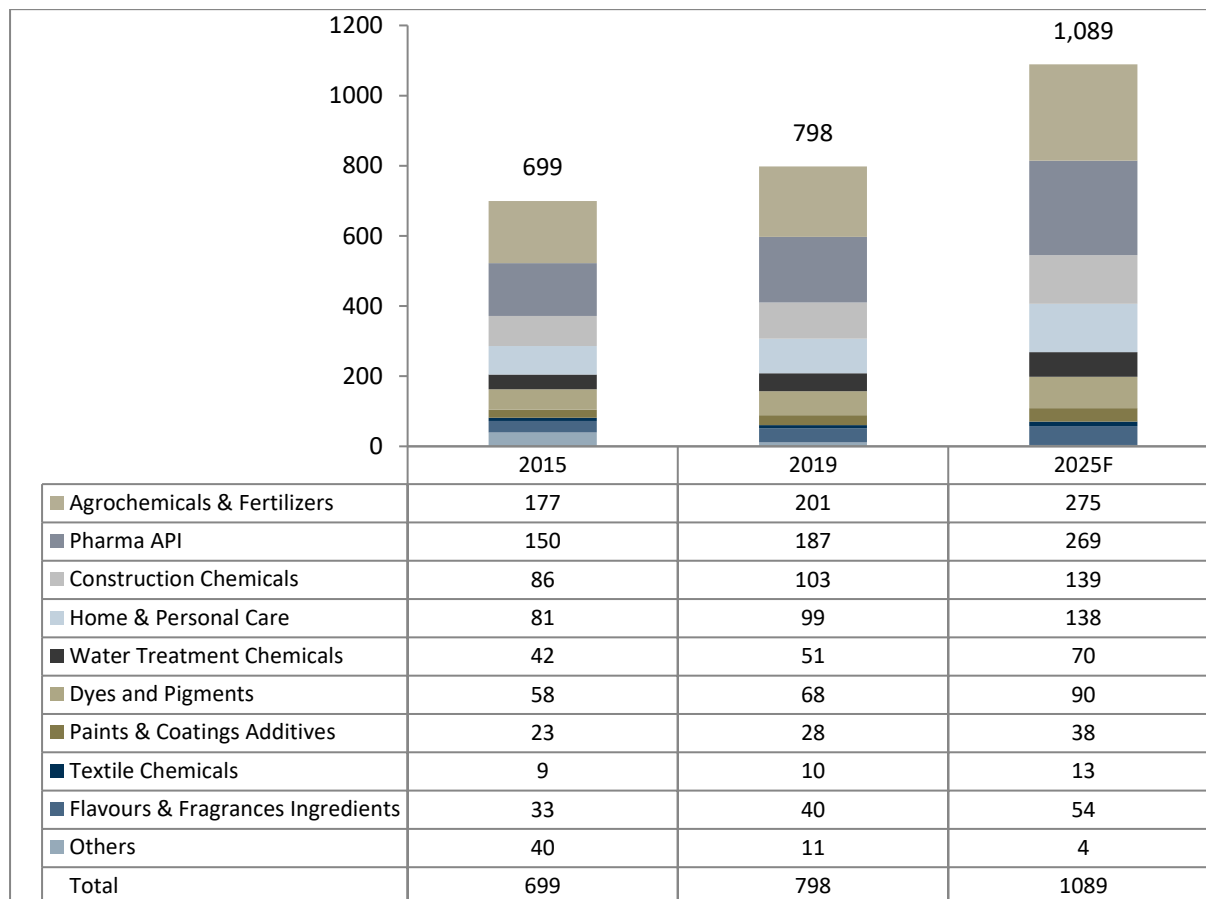
Source: Frost & Sullivan

CAGR	Asia Pacific	Europe	North America	RoW	Global
2015-19	5.0%	2.3%	2.5%	1.9%	3.4%
2019-25F	6.8%	4.5%	4.8%	2.1%	5.3%

### Market Segmentation – by Industry and Application Type

Specialty chemicals industry can be categorised into a mix of end-use driven segments and application-driven segments. In terms of attractiveness, the various segments across specialty chemicals differ in competitive intensity, margin profiles, defensibility against raw material cost movements, and growth.

### Global Specialty Chemicals Market, Industries & Applications, 2015-25F, Value

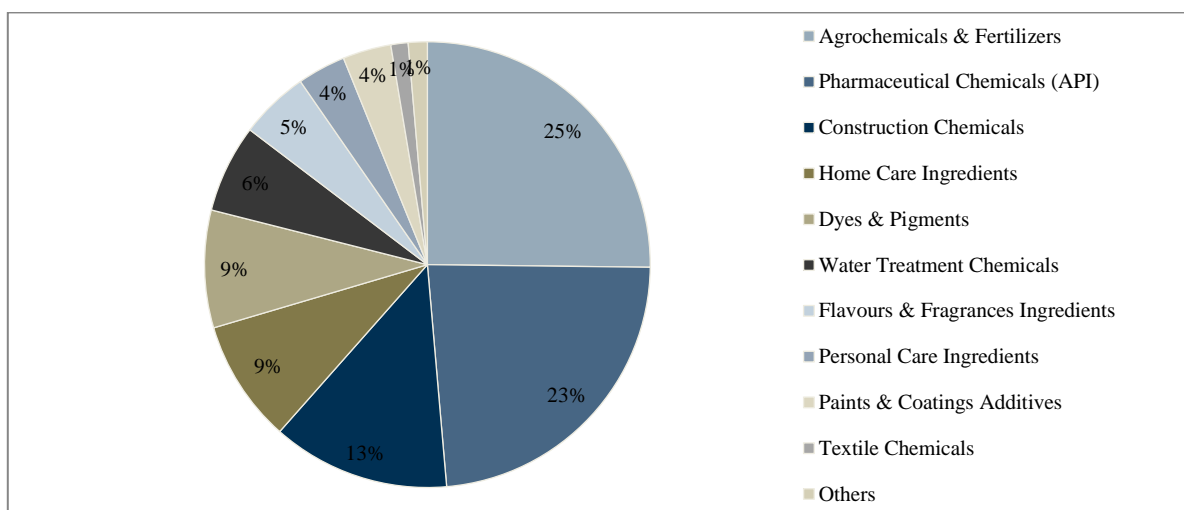


Others include: Sealants and Adhesives, Polymer Additives etc.

Source: Frost & Sullivan

	Agro	Pharma	Dyes & Pigments	Paints & Coatings	HPC	Textile	Water Treatment	Construction	F&F
2015-19	3.2%	5.7%	4.1%	4.7%	5.1%	3.6%	4.9%	4.6%	4.7%
2019-25F	5.4%	6.2%	4.8%	5.1%	5.7%	4.1%	5.3%	5.1%	5.2%

## Global Specialty Chemicals Market, Industries & Applications, 2019, Value (USD 798 Bn)



Source: Frost & Sullivan

### Growth Drivers

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

Segments	Key Growth Drivers	(2019-25F CAGR)
<b>Agrochemicals &amp; Fertilizers</b>	Increasing global population, Decreasing arable land, and consequent requirement to improve crop yields. New demand for agricultural products would also be created by the use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals	5.4%
<b>Pharmaceuticals Chemicals (API)</b>	Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals.	6.2%
<b>Construction Chemicals</b>	Rise in construction projects across emerging markets and increased adoption of construction chemicals for improvement in quality of projects	5.1%
<b>Home Care and Personal Care Ingredients</b>	Growth in Household and Industrial & Institutional Cleaners market. Growing consumption of Environmentally Friendly Products Growth in demand for personal care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to grow at around 9-10% CAGR. USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	5.7%
<b>Paints &amp; Coatings Additives</b>	Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.1%
<b>Water Treatment Chemicals</b>	Strengthening environmental regulations and rising water quality standards for municipal consumption in matured markets of North America and Europe In emerging markets, strong economic growth resulting in greater municipal and industrial spending in water treatment effort will drive growth of this segment.	5.3%
<b>Textile Chemicals</b>	Increasing demand for finishing chemicals that allow a variety of beneficial properties like anti-microbial properties, wrinkle-free properties, stain-resistance, etc. to be imparted to the textile	4.1%

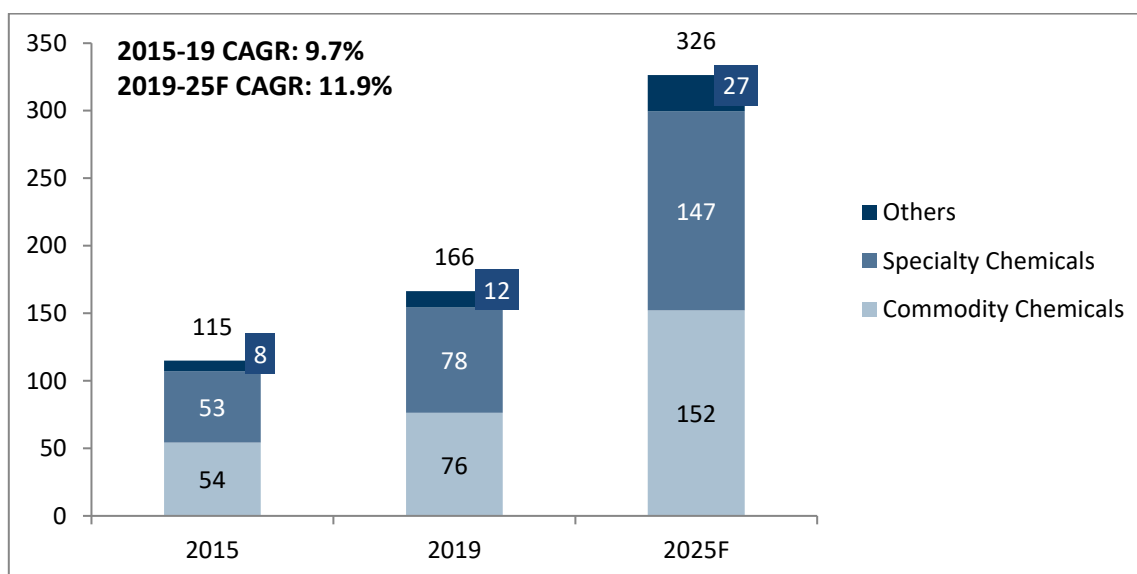


Segments	Key Growth Drivers	(2019-25F CAGR)
<b>Flavours and Fragrances Ingredients</b>	Strong growth in low-fat and low-carbohydrate foods and beverages in North America Higher consumer willingness to experiment with new flavours and fragrances Increased production of processed foods in developing countries causing a spurt in the demand for flavours A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care	5.2%
<b>Dyes and Pigments</b>	Growth in demand for high performance pigments (HPP) which are highly durable pigments, resistant to UV radiation, heat and chemical Use of eco-friendly colorants such as low impact dyes is emerging	4.8%

## India Chemical Industry Overview

The Indian chemicals market is valued at USD 166 Bn (~4% share in the global chemical industry) in 2019. It is expected to reach ~USD 326 Bn by 2025, with an anticipated growth of ~12% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period.

**Indian Chemicals Market, 2015, 2019 and 2025F (USD Bn)**



Source: Frost & Sullivan

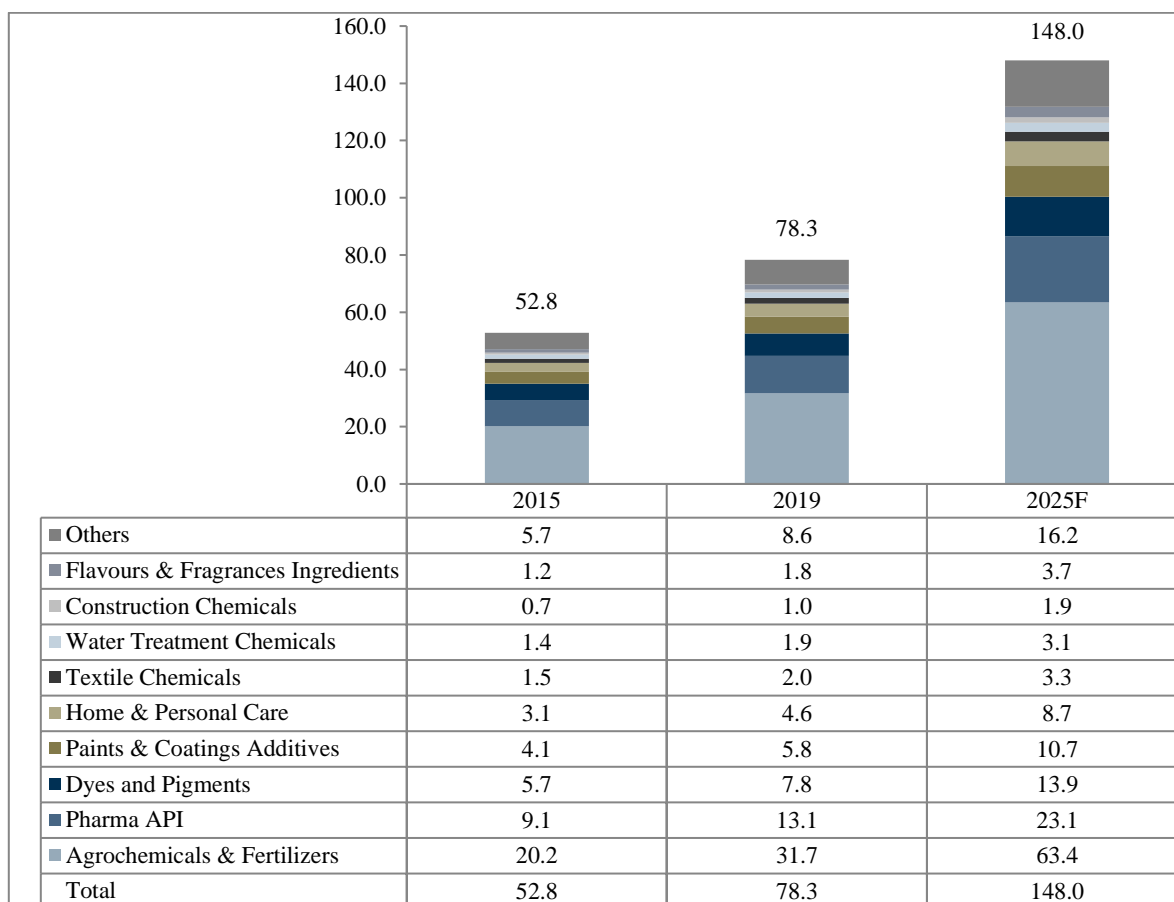
Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharma API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharma API contribute to more than 58% of the specialty chemical space in India.

	Commodity Chemicals	Specialty Chemicals	Other Chemicals	Total
2015-19	8.9%	10.2%	11.4%	9.7%
2019-25F	12.2%	11.2%	14.3%	11.9%

The Specialty chemicals industry is driven by both domestic consumption and exports. India's specialty chemical companies are gaining favour with global MNCs because of the geopolitical shift after the outbreak of Covid-19 as the world looks to reduce its dependence on China. Currently China accounts for ~15-17% of the world's exportable specialty chemicals, whereas India accounts for merely 1-2% indicating that the country has large scope of improvement and widespread opportunity. It is anticipated that Specialty chemicals will be the next great export pillar for India.

## Market Segmentation– by Industry and Application Type

**Indian Specialty Chemicals Market, Value (USD Bn), 2015, 2019 and 2025F**

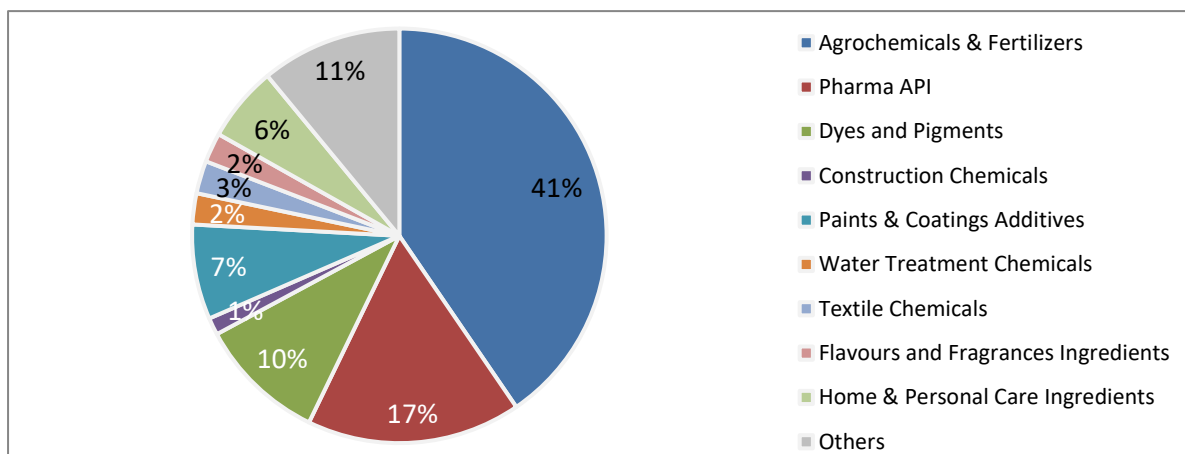


*Others include: Sealants and Adhesives, Polymer Additives etc.*

*Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharma API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharma API contribute to more than 55% of the specialty chemical space in India.*

	Dyes and Pigments	Agrochemicals	Textile Chemicals	Water Treatment Chemicals	Home & Personal Care	Pharma API	Flavours and Fragrances	Construction Chemicals	Paints & Coatings Additives	Total
<b>2015-19</b>	8.2%	11.9%	6.6%	7.9%	10.0%	9.5%	10.4%	10.4%	8.7%	10.4%
<b>2019-25F</b>	10.1%	12.2%	8.9%	8.6%	11.2%	9.9%	12.8%	10.5%	10.8%	11.2%

### Indian Specialty Chemicals Market by Industry and Applications, 2019, Value (USD 78 Bn)



Others include: Sealants and Adhesives, Polymer Additives etc.

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharma API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharma API contribute to more than 55% of the specialty chemical space in India.

Source: Frost & Sullivan

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

Segments	Key Growth Drivers	India Market, (2019-25F CAGR)
<b>Agrochemicals &amp; Fertilizers</b>	Increase in awareness levels of farmers Improvement in rural income encouraged by various government schemes Need to improve agricultural yields at a faster pace compared to the growth in demand to be able to meet food sufficiency targets DBT (Direct Benefit Transfer) allows for direct transfer of benefit or subsidy to citizens living below poverty line	12.2%
<b>Pharmaceuticals Ingredients (API)</b>	India supplying key drugs for treatment of Covid-19 across the world Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals. The government of India has launched Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India. The scheme intends to boost domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector and thereby reduce India's import dependence in critical APIs. The Government of India announced INR 9,940 crore packages to boost the domestic API manufacturing industry. The package is divided into two parts – INR 6,940 crore has been allocated for the PLI Scheme and INR 3,000 crore will be spent on setting up three bulk drug parks.	9.9%
<b>Construction Chemicals</b>	Growth in Indian construction industry over the next five years, driven by housing and infrastructure projects Increase in adoption of global standards of construction in India will lead to growth of this market	10.5%
<b>Paints &amp; Coatings Additives</b>	Growth in per capita paint consumption in India Strong growth in automotive industry	10.8%
<b>Water Treatment Chemicals</b>	The growing urban population is adding to the demand for water purification and waste water management 'Namami Gange Programme' - an Integrated Conservation Mission, approved as 'Flagship Programme' by the Union Government in June 2014 with budget outlay of INR 20,000 Crore to accomplish the twin objectives of effective abatement of	8.6%

	pollution, conservation and rejuvenation of National River Ganga	
<b>Textile Chemicals</b>	Driven by domestic demand and exports of high quality textiles	8.9%
<b>Flavours &amp; Fragrances Ingredients</b>	Marketing by FMCG companies has created demand for categories like deodorants, room fresheners and perfumed soaps in rural markets Increasing demand for processed food	12.8%
<b>Home &amp; Personal Care Ingredients</b>	Growth in population and per capita income to drive growth in this segment Rapid increase in the adoption of personal care products, especially in rural markets	11.2%
<b>Dyes &amp; Pigments</b>	The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non differentiated dye, pigments from low-cost facilities based in China and India	10.1%

### Impact of Make in India

The chemical industry contributes approximately 6.6% of national gross domestic product and accounts for 15-17% of India's manufacturing sector in FY19. The government permits 100% foreign direct investment (FDI) in this sector under the automatic approval route. The manufacturing of most chemical products inter-alia covering organic/inorganic, dyestuff and pesticides is de-licensed. The factors such as boost to specialty (as well as fine agrochemicals) chemicals due to rapid development in construction and agricultural sector, inadequate per capita consumption and strong demand from paints, textiles and diversified manufacturing base shall aid towards the development of Indian chemicals sector.

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

On the pharmaceutical industry front, realigned government policies to reduce the manufacturing facility approval time with a less than two weeks timeline for receiving NOC for export licenses will support the leading players such as Dr Reddy's Laboratories Ltd, Cadila Pharmaceuticals Ltd, Cipla Ltd etc. to continue to dominate the API manufacturing in India. Furthermore, with a cost advantage of almost 40-50% as compared to regulated markets and the availability of sufficient R&D infrastructure, India is expected to continue to enjoy a competitive advantage in the region there by assuring a strong CRAMS (Contract Research & Manufacturing Services) industry growth.

The Government of India is committed to ensuring the delivery of affordable healthcare in the country as well as ensuring that there is a steady supply of critical drugs. This has resulted in the launch of the Production Linked Incentive Scheme (PLI) for APIs, KSMs and DIs as well as the Scheme for Promotion of Bulk Drug Parks. These schemes have been constructed to incentivize large-scale manufacturing of critical bulk drugs and to build the required infrastructure for developing manufacturing clusters for across India. This aligns with the Government's mission for self-reliance (atmanirbharta).

In addition to the production linked incentive (PLI) scheme, the Department of Pharmaceuticals (DoP) is planning to allow the industry to import a maximum of 30% of the total value of chemicals/ intermediates. Having categorised Pharmaceuticals as a 'priority sector', the government is aggressively working on creating a single-window clearance to expedite FDI and domestic investment in the Pharmaceuticals sector. The government is also expected to introduce a production-linked incentive scheme for the agro-chemicals sector with incentives of 10-20% output and creating an end-to-end manufacturing ecosystem through cluster development. The government has taken initiative to promote and facilitate 'Aatmanirbhar Bharat' (self-reliance India) in the chemicals and petrochemicals sector.

### India – Racing Ahead of China

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

The Chinese government started implementing stricter environmental protection norms from January 2015. With

the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

- Shift towards gas-based power plants from coal-based ones
- Implementation of strict penalties for noncompliance
- Construction of compulsory effluent treatment plants
- Mandatory for all polluting industries to operate from industrial clusters away from habitat
- Small to mid-size chemicals plants to relocate by the end of 2020
- All larger plants must relocate by the end of 2025 and start the process by no later than 2020
- Taxes to be levied on polluting industries based on pollution type, location and severity

As a result of all of the above, the Chinese chemical companies are witnessing a rise in capex and opex costs, making them less competitive in the export market. In 2017, an estimated 40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits.



Source: World Bank, Frost & Sullivan

Note: The forecasted data is not published by World Bank; it has been calculated considering the same CAGRs (as historical trends) for both the countries. The actual CAGR for India and China respectively for the period 2015-2019 stood at around 13% and 7%; as World Bank does not forecast the export trends, the same CAGR (13% for India and 7% for China) has been considered for the forecast period 2020-2024.

**There is an ample replaceable export market for India to capitalize on, and weave a strong growth story for chemicals – led by Specialty chemicals.**

Several global players prefer a “China + 1 offshore strategy”, with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs/ Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

Currently Indian companies are experiencing wave of bigger orders from Global companies who previously used to purchase from Chinese counterparts. Many customers have been dependent on China for a long time and they are looking for an alternative and India is their preferred choice. Many small and large companies are experiencing surge in demand from global companies who are shifting their source from China to India.

With new regulations in place and the Chinese companies adhering to new norms, they are expected to bounce back with certain level of reforms in the way of operations. Whenever the Chinese companies make a comeback, it would be at a significantly higher cost of production given the significant investment in environmentally compliant equipment and manufacturing practices. India, in the meantime, would have significantly strengthened its position in the global supply chain and would be a very viable alternative for global players looking to de-risk

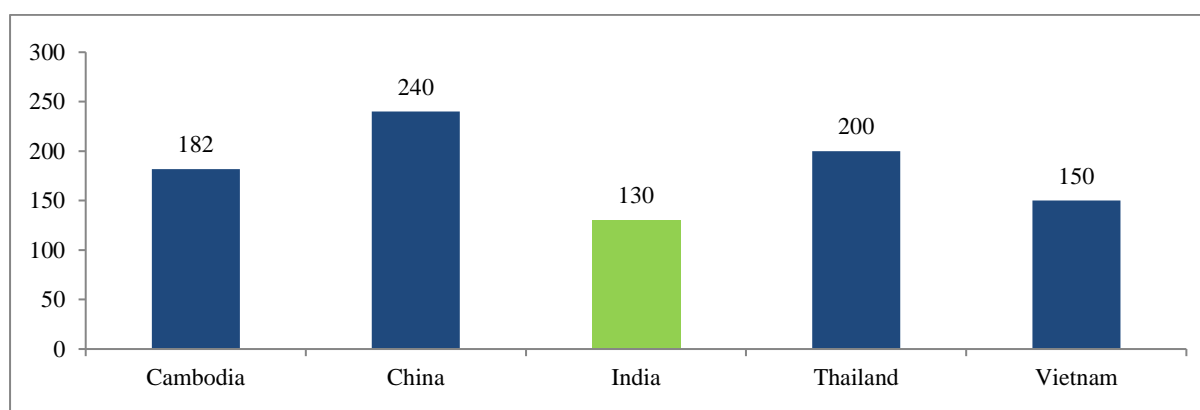
their supply chain, while retaining their sourcing costs. Pharmaceuticals and agrochemicals are some of the key sectors that are particularly set to benefit from this shift in dynamics, wherein the Chinese manufacturers continue to operate at lower capacity levels, given the increased monitoring of safety standards and compliance norms.

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

### Cost and Availability of Skilled Labour in India and China

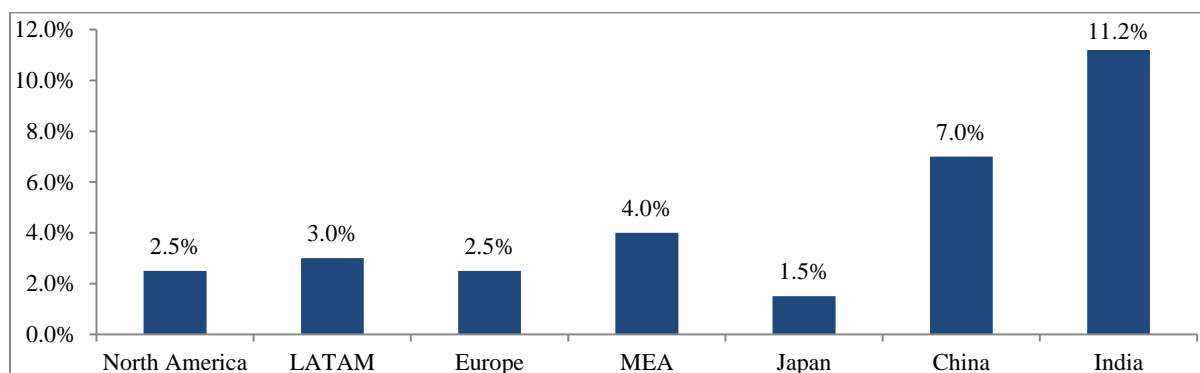
Labour represents one of the main costs of manufacturing goods. And importers have watched China's labour costs soar in recent decades, often growing by 10-15% annually. China's minimum wages, which now range from about USD 140 to USD 346 per month, are set at the provincial level.

**Average Monthly Minimum Wage (USD), 2019**



Source: ASEAN Briefings

**Region-wise Specialty Chemicals Growth, 2019-24F, %**



Source: Frost & Sullivan

In terms of region-wise demand, India's specialty chemicals industry is expected to witness the maximum growth of 11-12% CAGR over the next five years compared with other markets, due to rising demand from end-user industries, coupled with tight global supply on account of stringent environmental norms in China. Markets like Americas, Europe and Japan are expected to clock less than 4% CAGR over the next five years, due to industry saturation in these regions.

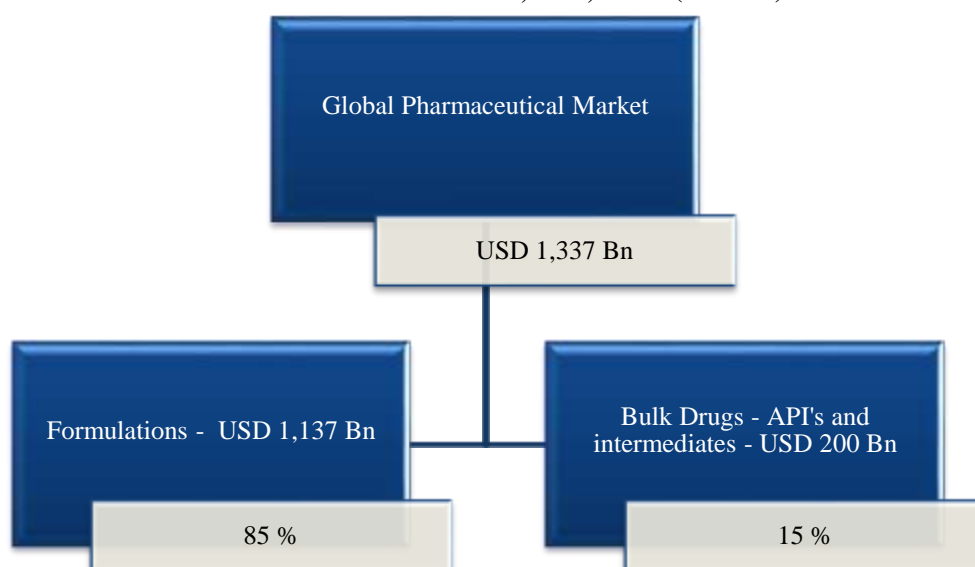
Global manufacturers have initiated talks with Indian firms to explore the possibility of shifting a part of their supply chains from China as they seek to diversify their operations following the covid-19 outbreak. First of the lot are companies interested in sourcing automobile components and electronic products from India. In the chemicals sector, India could become global specialty chemical export hub. The key growth accelerator would be our readiness in responding to the strong demand of key global markets to de-risk their supply chain by diversifying their base beyond China. In a way China's loss is India's gain. The tightening of environmental

protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities along with rising labour costs and the recent trade dispute between China and United States have reduced Chinese exports and resulted in shifting the source of key raw materials from China to India.

### Global Pharmaceutical Market

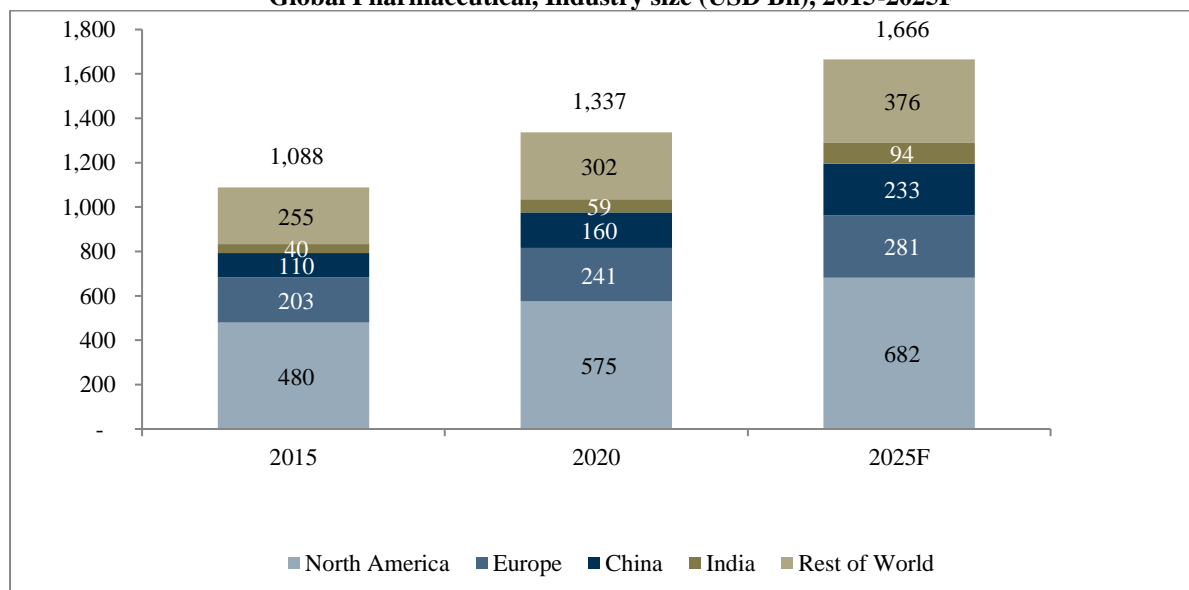
The Global Pharmaceutical market was valued at USD ~1.3 Trillion in 2020 with a steady growth rate in past of CAGR 4% since 2015. Going forward it is expected to grow at 4.5% from 2020 till 2025. The industry is driven by increasing convergence of technology & health and new models for the treatment of diseases based on advanced therapies. Moreover the increasing number of regulatory approvals is supporting a 6.9% CAGR expected growth of the prescription drugs market for the same forecast period.

**Global Pharmaceuticals, 2020, Value (USD Bn)**



The global pharma market is expected to grow at a CAGR of 4.5% between 2020 and 2025 including the impact of Covid-19, which has negatively impact volumes over 4 to 6 months in 2020 and resulted in higher pressure on prices worldwide over the next 5 years.

**Global Pharmaceutical, Industry size (USD Bn), 2015-2025F**



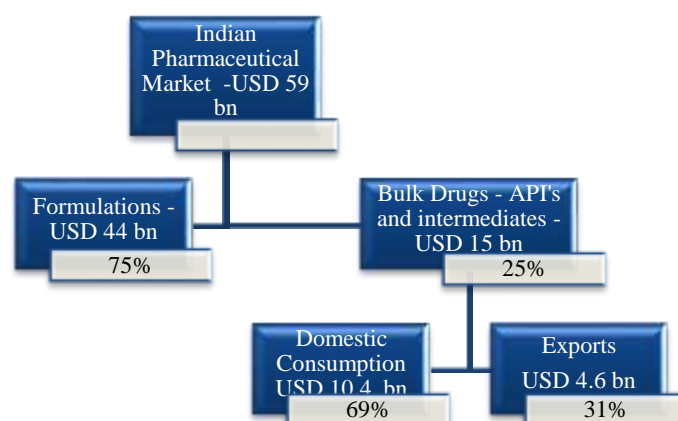
CAGR	North America	Europe	China	India	Rest of World	Global
<b>2015-20</b>	3.7%	3.5%	7.8%	7.2%	3.6%	4.2%
<b>2020-25F</b>	3.5%	3.1%	7.7%	9.8%	4.5%	4.5%

As the world's population tops 7.8 billion in 2020, per capita usage of medicine has reached to about 1.6 Standard Units (SUs) per person per day. Most developed countries have usage above 2 SUs per person per day and much of the increased usage in 2020 is driven by China, India, Brazil and Indonesia where substantial increases have been made in average medicine volume usage. These four countries with a combined population of 3.23 billion in 2020 - up from 3.11 billion in 2015 - accounts for nearly half of the increased volume in medicine usage globally from 2015-2020.

### India Pharmaceutical Market

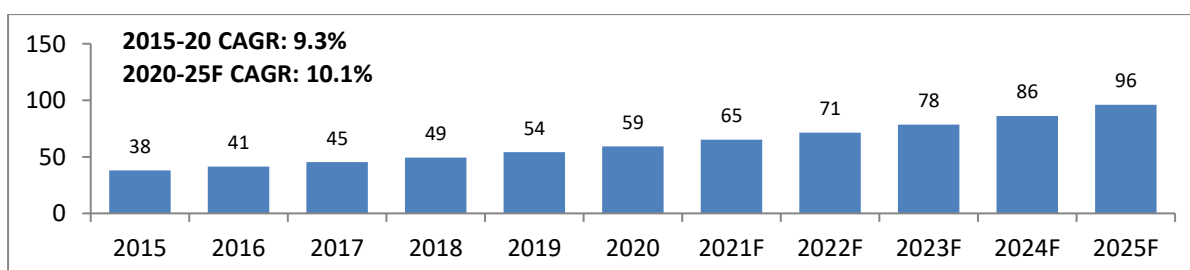
The Indian Pharmaceuticals market was valued at USD 59 Bn in 2020, contributing to around 4% of the Global market. The Indian market is expected to grow at around CAGR of ~10% between 2020 and 2025 fuelled by substantial increase in Indian API domestic consumption.

#### Indian Pharmaceutical Market – By Product Types, 2020



Indian pharmaceutical sector supplies over 50% of the global demand for various vaccines, 40% of the generic demand for US and 25% of all medicines for UK. India contributes the second largest share of pharmaceutical and biotech workforce in the world.

#### India Pharmaceuticals, Industry size (USD Bn), 2015-2025F



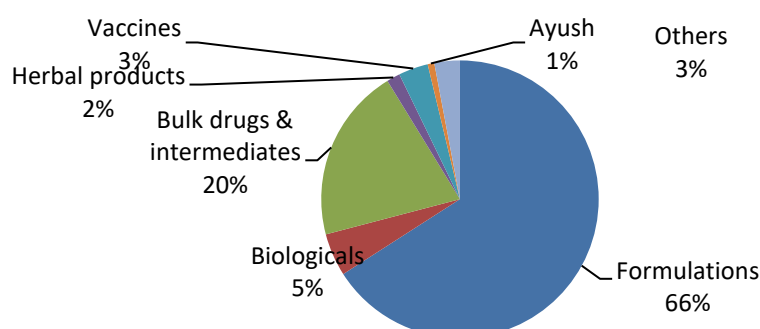
Source: Frost and Sullivan analysis

### Pharmaceuticals Domestic & Exports Market

Indian pharmaceutical industry exported medicines and other goods worth over USD 25 billion in 2020, up from USD 20.7 billion in 2019. In the year of 2019 exports of formulations accounted for 65-68% of the total exports and the share of the same increased in 2020 owing to high exports of drug formulations from India to cure Covid.

#### Category wise exports, 2019 (in %) – USD 20.7 Bn





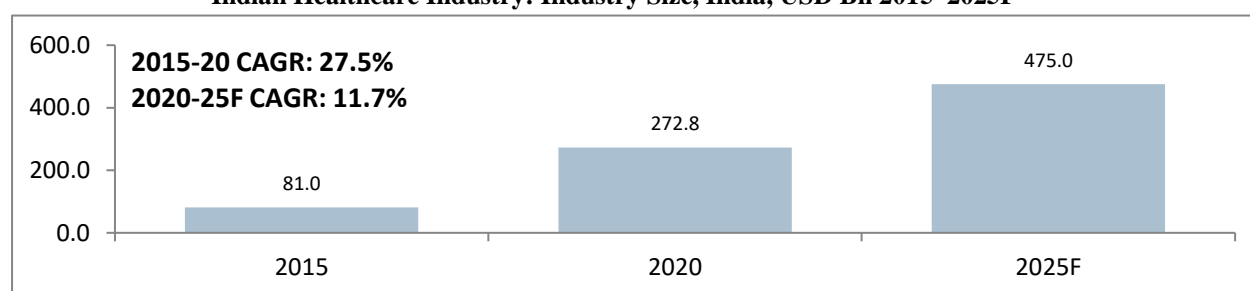
Source: Frost & Sullivan Research & Analysis

## India Pharmaceutical Market - Industry Drivers

### 1. Rising Healthcare Expenditure

The Indian healthcare industry is expected to be among the top-3 healthcare industries globally in terms of incremental growth by 2020. The growing prevalence of chronic diseases due to an increasing aged population in India and globally, coupled with government initiatives for manufacturing under 'Make in India' and the global need for lower cost therapies at high quality has led to health investments from pharmaceutical players, fostering development of the healthcare industry

**Indian Healthcare Industry: Industry Size, India, USD Bn 2015–2025F**



Note: Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment

Source: Frost and Sullivan analysis

### 2. Increasing Income

In India, domestic consumption has increased 3.5 times over the past decade from about 31 trillion to about 110 trillion. BCG forecasts that by 2028 this will exceed approximately 335 trillion. Consumers are increasing their discretionary spending on healthcare, with several APIs expected to grow exponentially owing to this trend of increased per capita consumption. Also, ~73Mn households expected to shift to middle class over next 10 years

### 3. Growth in Application segment for Intermediates

Indian API sector is growing at a promising rate (The Indian API market has shown steady growth of 9% since 2015 and is expected to further expand at nearly 8% going forward till 2025.) due to its research-based processes, low-cost operations and availability of skilled manpower. Many of the companies are also investing to have a strong backward integration and source intermediates locally. To meet the global demand, many international players are now integrating with Indian companies.

### 4. Growing Geriatric Population

India is seeing an ageing population increase. The percentage of old people (60 years or over) in India will increase from 8.9% in 2015 to 12.5% in 2030, according to UN projections. In addition, 19.4% of the total population of India will be over 60 years of age by 2050. The nation would also see an improvement in the ratio of old age dependence from 13% in 2000 to 32.8% in 2050.

## 5. Cardiovascular Diseases

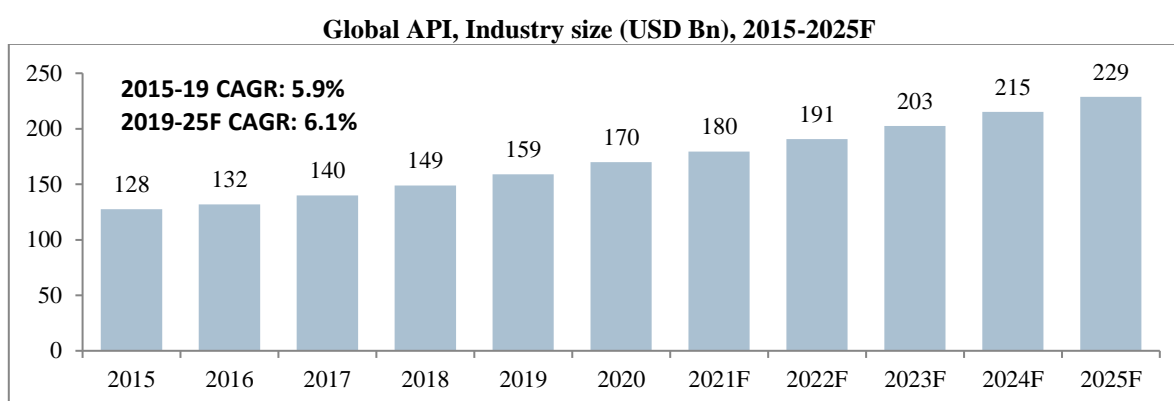
Cardiovascular disorders are among the world's deadliest disorders, with India being a victim of them as well. Of the total deaths in India, these diseases account for 26% (2.5 million). In addition, the cumulative economic burden of non-communicable diseases (including mental health conditions) is expected to cross US\$ 4.58 trillion in India between 2012 and 2030.

## 6. Diabetes

India is one of the world's fastest-growing markets for diabetes. There were 69.18 million individuals with diabetes in India in 2015. This number is expected to grow to 79.4 million individuals 2030 and around 123.5 million by 2040. (Source: National Centre for Biotechnology Information – NCBI)

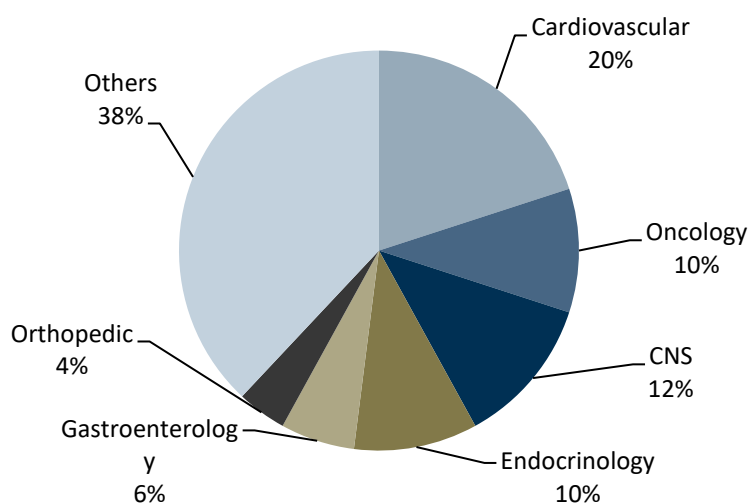
### Global Active Pharmaceutical Ingredients Market

The Global API market has shown steady growth of 5.9% since 2015 and is expected to further expand at 6.1% due to an increased focus on developing geographies.



Growth in the Active Pharmaceutical Ingredients market will be primarily driven by government initiatives, regional penetration, increasing aged population and patent expiration of prominent drugs. Investments in R&D coupled with patent expirations of drugs will make Asia Pacific the fastest growing API market. Synthetic API's form about 70% of the total market and Biologics about 30%.

### Global API market Split by Therapy Segment, 2020 (in USD Bn) – USD 170 Bn



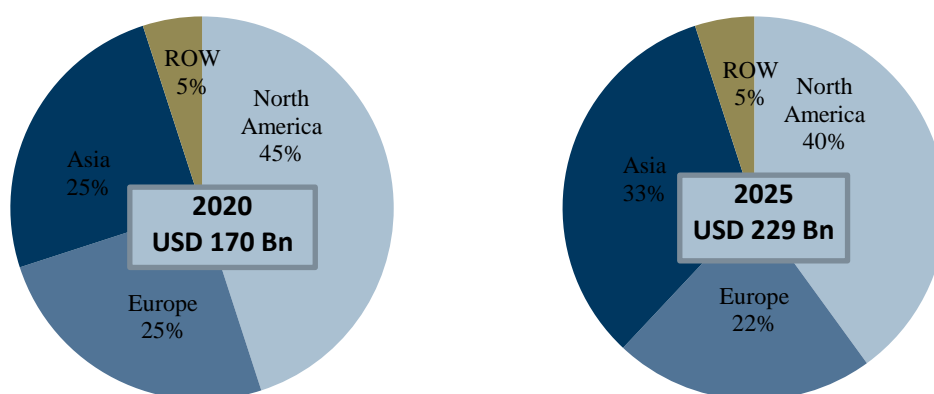
Source: Frost & Sullivan Research & Analysis

Growth rate of Drug markets for respective Therapy Segment

Growth Rate (CAGR)	Cardiovascular	Oncology	CNS	Endocrinology	Gastroenterology	Orthopaedic
2019-25F	3.8%	7.4%	9.4%	7.0%	4.3%	6.6%

Cardiology/ cardiovascular was the largest therapy segment in API for the year. Increasing prevalence of cardiovascular diseases worldwide and high demand for fast-acting drugs are some of the key factors responsible for the segment growth. Oncology, HIV, Central Nervous System (CNS) and Cardiovascular (CVS) are likely to be the fastest growing during the forecast period. Moreover with the growing prominence of Covid-19, there have been growing cases of people across the world undergoing depression phase. Owing to this the Antipsychotic and Antidepressants drug are highly sought and the therefore these markets are expected to grow with a decent CAGR.

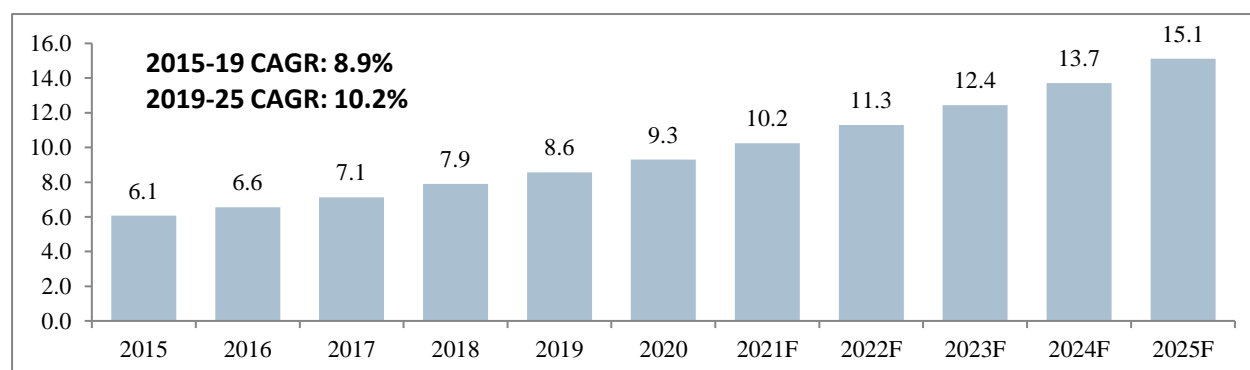
**Global API market segmentation by geography, 2020 and 2025**



Source: Frost & Sullivan Research & Analysis

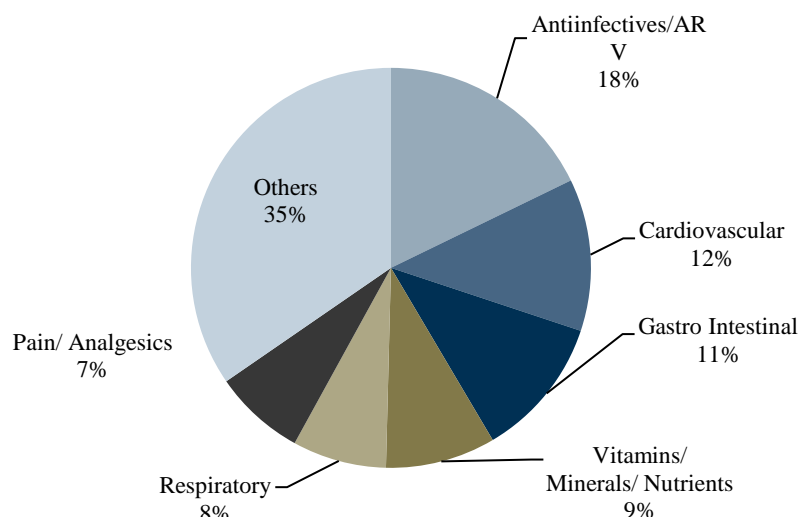
### India Active Pharmaceutical Ingredients Market

**Indian API Industry size (USD Bn), 2015-2025F**



Source: Frost and Sullivan analysis

**Indian domestic API market split by Therapy Segment , 2020 (in USD Bn) – USD 9.3 Bn**



Source: Frost & Sullivan Research & Analysis

Cardiovascular is one of the growing segments associated with growth in lifestyle diseases. Cardiovascular diseases (CVDs) became the leading cause of mortality in India. The anticoagulants market is anticipated to show significant market growth during the forecast period, owing to increase in prevalence of ischemic heart disease and venous thromboembolism (VTE) and awareness of novel oral anticoagulants (NOACs).

Some of the other API classes which are experiencing good market growth are Antipsychotic, Antidepressants, Parkinson's, Anticoagulants, ARVs among others.

Outbreak of Covid-19 in 2020 and second-wave peaking in 2021 has led to growing cases of people across the world undergoing depression phase. Owing to this the Antipsychotic and Antidepressants drug are highly sought and the therefore these markets are expected to grow with a decent CAGR.

### Domestic Consumption vs. Exports

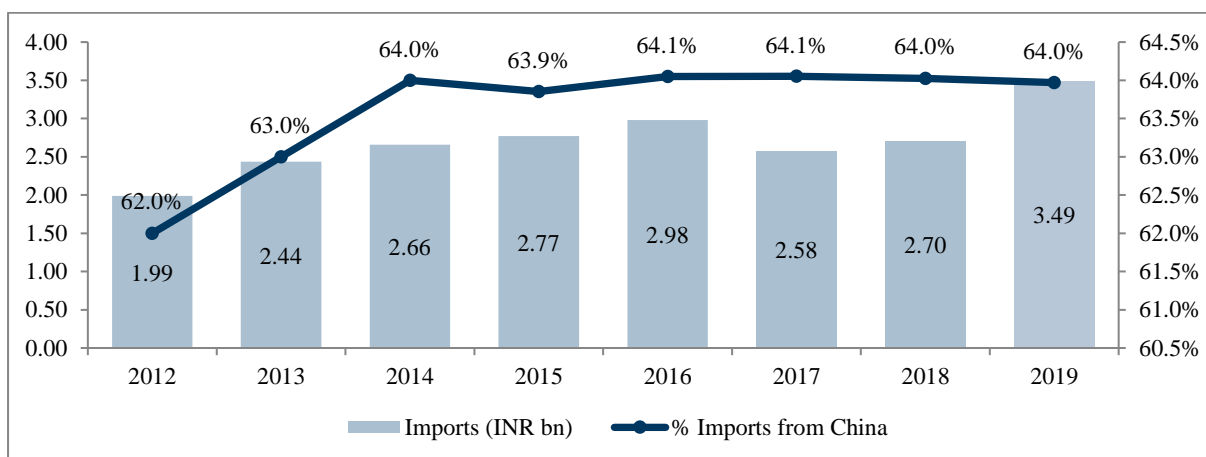
Of the total domestic API demand, about 32–35% was imported in 2019. India imported USD 3.48 Bn worth of bulk drugs in FY19. Of the overall imports, 57-60% of the imported APIs originate from China alone.

### Imports: Bulk Drugs & API

While India is one of the world's leading exporters of formulated drugs, its pharmaceutical industry relies heavily on bulk drug imports.

The Indian pharma industry is highly dependent on imports from China for some of the key APIs: penicillin G, levodopa, streptomycin, meropenem, carbidopa, vancomycin, gentamicin and progesterone. Domestically produced APIs account for 60 – 70% of the total quantity; however, key starting material (KSMs) for some key APIs like caffeine, chloramphenicol, azithromycin, sulfadoxine, ciprofloxacin, metformin, ciprofloxacin, levofloxacin, ofloxacin, ampicillin, amoxicillin and cephalosporins are sourced from China. All fermentation-based products like penicillin G, amoxicillin and tetracycline, which are used as base chemicals for most antibiotics, have a very high dependence on China.

### India's import dependency, % being imported from China, India, 2012 to 2019



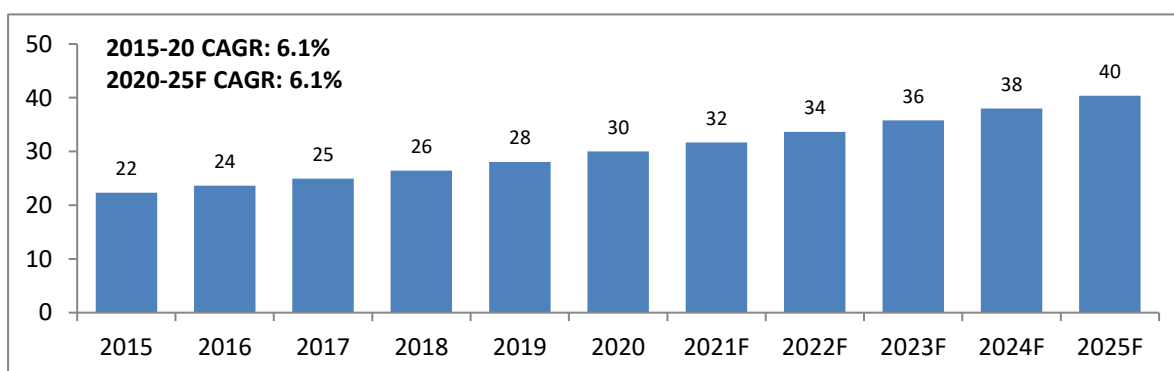
Source: CII, Frost & Sullivan Analysis

Imports from China have been on a steady rise over the years (from 62% in FY12 to 64% in FY19) due to the low-cost advantage enjoyed by Chinese manufacturers. In FY19, India imported USD 2.23 billion worth of APIs from China while exporting merely USD 0.224 billion worth of APIs to China. However India is trying to reduce its dominance on China for APIs. India plans API production push and hopes to challenge Chinese dominance. India is reportedly working on a plan to supersize its own ingredient manufacturing to combat Chinese dominance in the market. The Indian government is planning to escalate domestic production of pharmaceutical ingredients to counteract a perceived over-reliance on Chinese imports now hampered by COVID-19 shutdowns. India has identified and prioritized production of 53 raw materials and active pharmaceutical ingredients (APIs) as part of its "China-plus-one" policy to fill in supply gaps of affordable medicines.

### Global API-RM/KSM Market

The Global market for speciality intermediates that go into pharmaceutical application was valued at USD 30 Bn for 2020. Key Starting Material (KSM) term is used for intermediates in pharmaceutical industry. These are building blocks of drug industry.

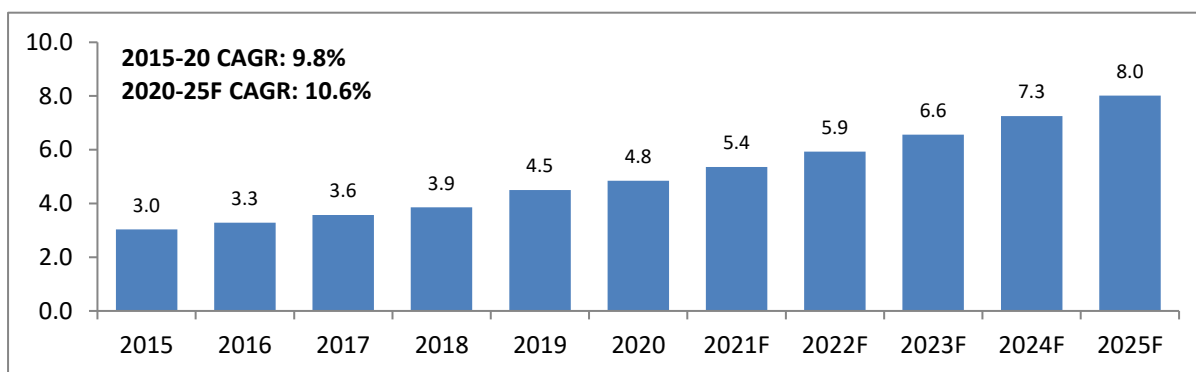
#### Global API-RM/KSM, Industry size (USD Bn), 2015-2025F



### India API-RM/KSM Market

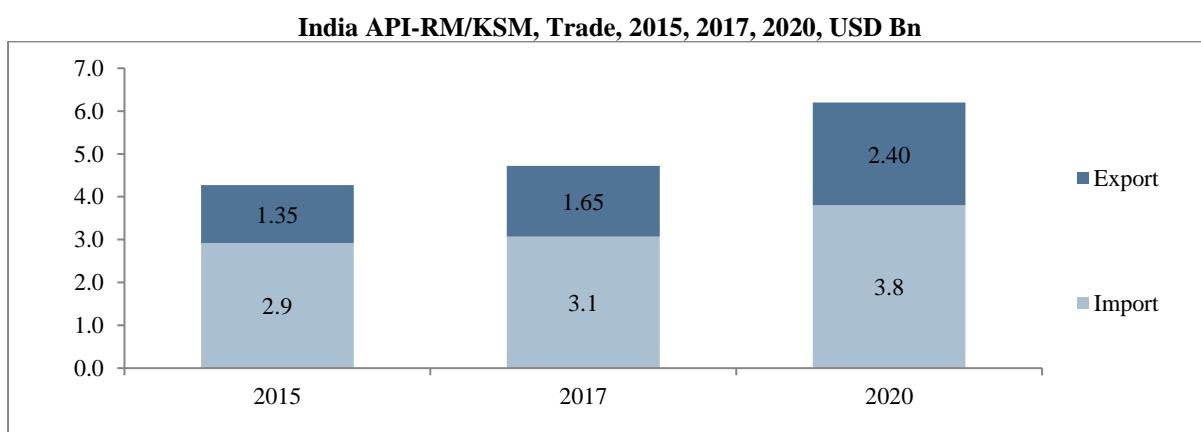
The market for Pharmaceutical intermediates in India for the year 2020 was estimated to be around USD 4.8 Bn, growing at a CAGR of 9.8% over 2015-20.

#### Indian API-RM/KSM Market size (USD Bn), 2015-2025F



Source: Frost and Sullivan analysis

### Imports and Exports:



Source: Frost & Sullivan, World Trade Statistics & HSIE Research, \*Estimates from speciality chemicals trade based on Primaries with experts

### Why is India well placed to see growth in this market

The key strategy of the Indian manufacturers till date has been to do a higher value addition to the products and then explore markets across the globe for better realization. As such most companies focused on producing speciality products and started importing the basis key starting materials and intermediates. Many of the key starting materials and intermediates thus have been imported to large extent from over a decade from China, which has been an economical sourcing option. Almost 80% of the intermediates as of 2019 were imported.

Cost Head	China Advantage
Raw Material	Cheaper by 25-30% as compared to India
Electricity	Lower by 20% compared to India
Labour	1.8 times higher than India
Other Costs	Cheaper by 30%

The Government of India's proposition to support local manufacturing of many possible raw materials and intermediates especially in the Pharmaceutical space will enhance the growth in domestic market and reduce imports, especially from China. With shift in investments from regulated markets like Europe to developing countries like India, domestic production is expected to increase, reducing dependency on imports encouraging the current trend of exports of intermediates to grow substantially.

### Government Initiatives

India has plans to give impetus to domestic API production. The report released in 2015 by the committee made recommendations as follows: Setting up of six large API manufacturing clusters or mega parks in five to six states. These clusters would be equipped with facilities such as common effluent plants, testing facilities, assured power supply, and IPR management

- Provision of financial benefits to producers: -A 15-year tax holiday for developers / participants of clusters
- The government is also considering exempting producers from the Drug Price Control Order (DPCO) if a drug is made from a locally produced API<sup>577</sup>.
- Land and other infrastructure installations at concessional rates, interest subsidies on bank loans (up to 7.5% interest subsidy)
- Single-window environmental clearance of all drugs to API manufacturers until the plant is authorised by the Ministry of the Environment
- Income tax advantages for an initial duration of 10 years from the date of launch of the product for each product
- A plan to provide a corpus of about INR5 billion in venture capital funding to support pharmaceutical SMEs was also submitted
- Liberalize FDI policies with 100% FDI in the pharmaceutical industry-74% under the automatic route for brownfield projects and 100% under the automatic route for greenfield projects. The government has adopted this

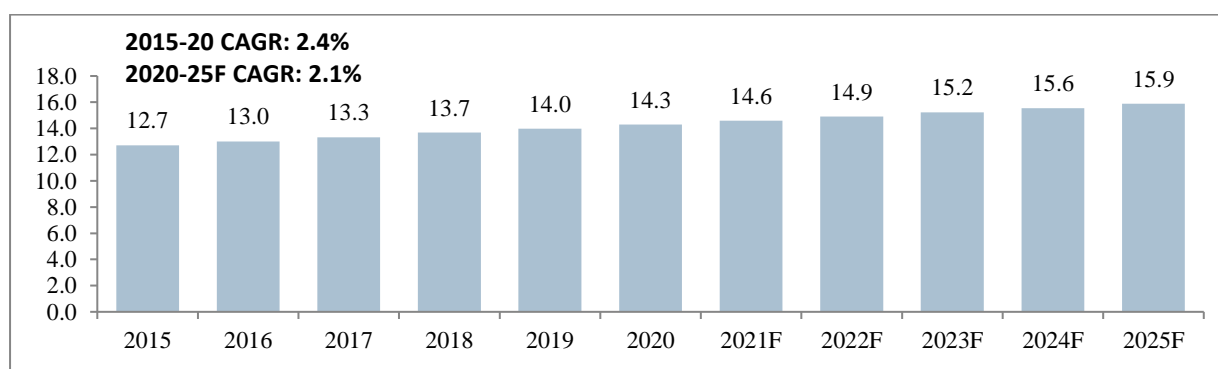
**Unique zones and bulk drug parks-** A cluster structure specific to bulk drugs was created by the Department of Pharmaceutical in 2016. It proposed a public-private partnership (PPP) model for setting up a cluster with government funding of up to 70% of the project cost, subject to an INR 0.2 billion cap. A sum of INR 1.25 billion was allocated for this cluster creation scheme in the 2012-17 five-year plan.

## Overview of Therapeutics

### Global Antidepressants Market

Antidepressants are medications that can help relieve depression symptoms. The objective is to correct the chemical imbalances of neurotransmitters in the brain that are believed to be responsible for changes in behavior and mood. They can also be used to treat several other conditions, including generalized anxiety disorder, obsessive-compulsive disorder (OCD), post-traumatic stress disorder (PTSD), and are sometimes used when treating people with chronic pains. Although antidepressants can treat the symptoms of depression, they don't address the causes, hence are typically used in combination with other therapies.

**Global Antidepressants, Industry size (USD Bn), 2015-2025F**



The Antidepressants market is primarily driven by the increase in the prevalence of depression, raising awareness regarding depression, and required clinical needs. According to WHO, depression affects 300 million people worldwide and is a common illness. Depression can become a severe health condition when long-lasting with moderate or severe intensity and can even lead to suicide. Moreover, the rising number of people suffering from stress, the emergence of novel drugs with lesser side-effects and growing elderly population, who are prone to suffer from subsyndromal depression, are expected to drive the market further. The global demand for antidepressants has grown as mental health issues have surged due to the effect of the Covid-19 pandemic making an impact on the global economy. Isolation and anxiety triggered by the coronavirus have heightened demand for mental-health medication. In USA, prescriptions for the antidepressant drug grew 12% in March versus the same month last year. Across the globe there was shortage of antidepressants and its generics. A number of drugmakers

are having trouble keeping up with higher demand as they are not able to adequate supply of active pharmaceutical ingredients (APIs) to make the medicines.

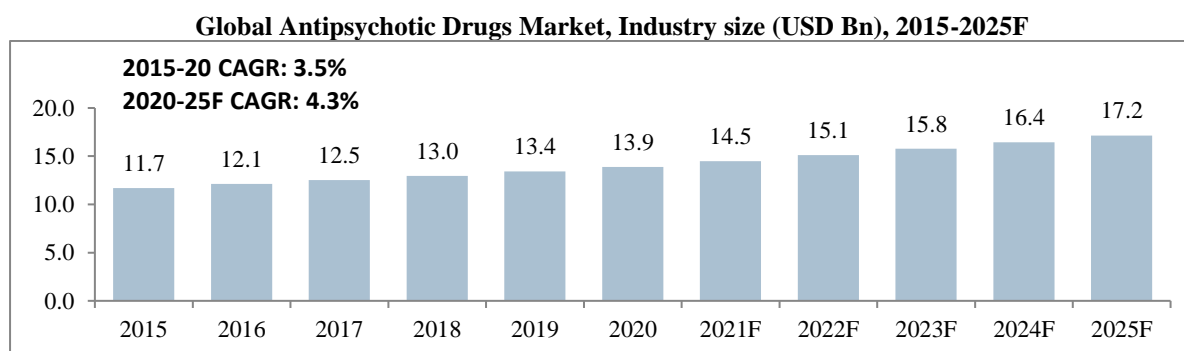
North America accounts for the largest share in the global antidepressant drugs market. This can be mainly attributed to factors the increasing prevalence of depression and government incentives to promote awareness regarding depression.

#### Key APIs by Drug Class

- Selective serotonin reuptake inhibitors (SSRIs) include fluoxetine (Prozac), paroxetine (Paxil, Pexeva), sertraline (Zoloft), citalopram (Celexa) and escitalopram (Lexapro)
- Serotonin and norepinephrine reuptake inhibitors (SNRIs) include duloxetine (Cymbalta), venlafaxine (Effexor XR), desvenlafaxine (Pristiq) and levomilnacipran (Fetzima).
- Atypical antidepressants include trazodone, mirtazapine (Remeron), vortioxetine (Trintellix), vilazodone (Viibryd) and bupropion (Wellbutrin SR, Wellbutrin XL, others). These medications don't fit neatly into any of the other antidepressant categories. **Ami Organics is the major manufacturer of key intermediates for the APIs belonging to Atypical antidepressants drug class**
- Tricyclic antidepressants such as imipramine (Tofranil), nortriptyline (Pamelor), amitriptyline, doxepin and desipramine (Norpramin)
- Monoamine oxidase inhibitors (MAOIs) such as tranylcypromine (Parnate), phenelzine (Nardil) and isocarboxazid (Marplan)

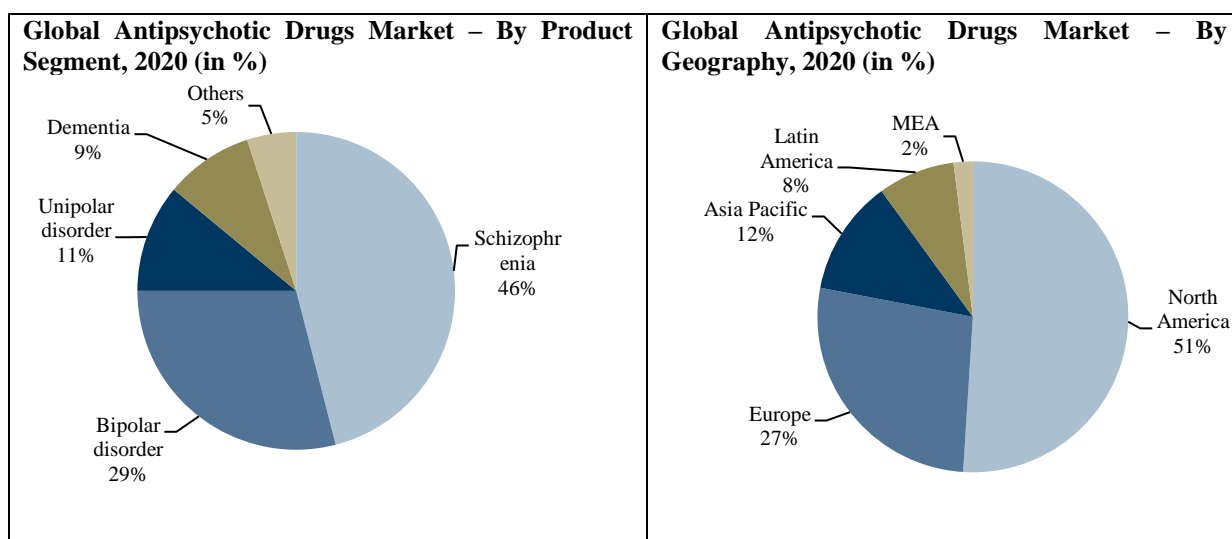
#### Global Antipsychotic Drugs Market

Psychosis is a disorder where the person may face serious distortion of behavior, thought, perception and recognition of reality. The patients may experience hallucinations and delusions along with having wrong evaluation and misperception of other people, facts or situations. Psychosis is not a condition but rather gets triggered due to other conditions such as stress, traumatic experiences or physical conditions namely brain tumor, Parkinson's disease or due to alcohol or drug misuse. The Global Antipsychotic Drugs Market was valued at USD 13.9 Bn in 2020 and is expected to grow at 4.3% over the forecast period till 2025.



Global estimates suggest that over 1.25% of the global population suffers from psychosis and related disorders. This translates into a potential market of about 7.5 mn people as target consumers for antipsychotic drugs. Although the potential consumer base for the market is relatively much smaller than that for diseases such as cancer and diabetes, the high costs of antipsychotic drugs make the market one with promising returns. The market holds immense growth promise for future years as the patient pool of psychotic conditions rises at an alarming rate across the globe. The introduction of newer antipsychotic compounds and the vast funds poured in for research and development activities are also expected to have a significant positive impact on the overall development of the market in the near future.





Source: Frost & Sullivan Research & Analysis

### Key APIs by Drug Class

First Generation Antipsychotics	Second Generation Antipsychotics	Third Generation Antipsychotics
<ul style="list-style-type: none"> <li>▪ Chlorpromazine</li> <li>▪ Droperidol</li> <li>▪ Fluphenazine</li> <li>▪ Haloperidol</li> <li>▪ Loxapine</li> <li>▪ Perphenazine</li> <li>▪ Pimozide</li> <li>▪ Prochlorperazine</li> <li>▪ Thioridazine</li> <li>▪ Thiothixene</li> <li>▪ Trifluoperazine</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aripiprazole*</li> <li>▪ Asenapine</li> <li>▪ Clozapine</li> <li>▪ Iloperidone</li> <li>▪ Lurasidone*</li> <li>▪ Olanzapine</li> <li>▪ Paliperidone</li> <li>▪ Quetiapine*</li> <li>▪ Risperidone</li> <li>▪ Ziprasidone*</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aripiprazole*</li> </ul>

*\*Ami Organics is the major manufacturer of the key intermediates for this API*

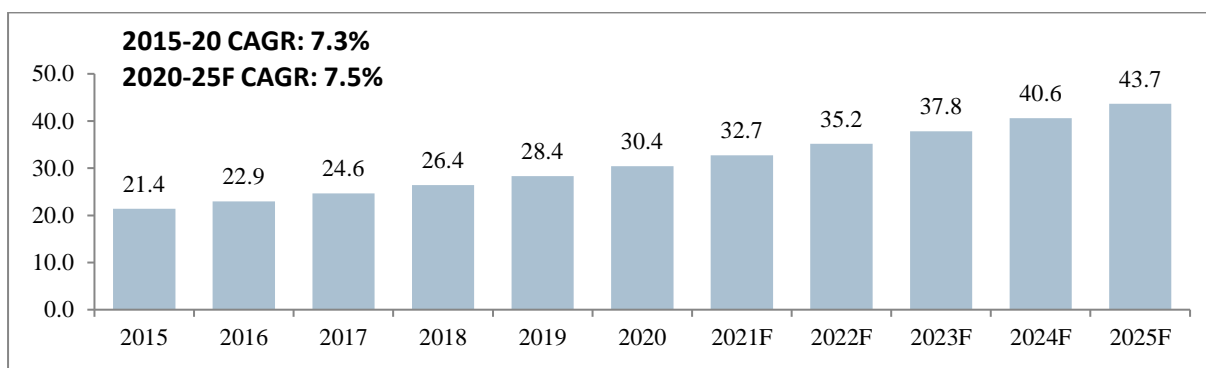
### Global Anticoagulants Market

Anticoagulants are medicinal substances that reduce the coagulation of blood and prolong the clotting time. They're given to people at a high risk of getting clots, to reduce their chances of developing serious conditions like strokes and heart attacks. Examples of Anticoagulants include aspirin, heparin and warfarin, among others.

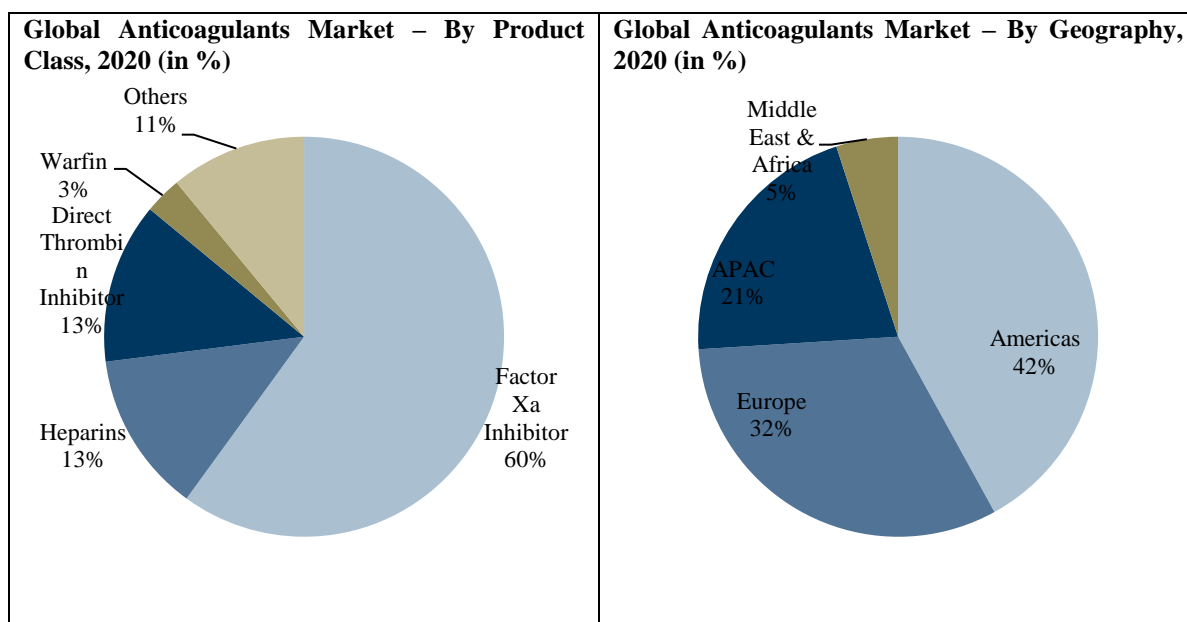
**Notable companies operating in the anticoagulants market** include Bristol-Myers Squibb, Amphastar Pharmaceutical, Sanofi, Hepalink group, Pfizer, Leo Pharma, Laboratories Farmaceuticos Rovi SA among others.

The Global Anticoagulants Market was valued at USD 30.4 Bn in 2020 and is expected to grow at 7.5% over the forecast period till 2025.

### Global Anticoagulants Market, Industry size (USD Bn), 2015-2025F



The global anticoagulants market is anticipated to show significant market growth during the forecast period, owing to increase in prevalence of ischemic heart disease and venous thromboembolism (VTE) and awareness of novel oral anticoagulants (NOACs).



Source: Frost & Sullivan Research & Analysis

### Global Anticoagulants Market – By Geography

North America dominates the global anticoagulants market owing to increased awareness about therapeutic applications of anticoagulants in disease management in the region. The U.S. represents the largest market for anticoagulants in North America, followed by Canada. In Europe, Germany, France and the U.K. hold major shares of the anticoagulants market. The Asia-Pacific region would exhibit the highest CAGR of 9.2% during the forecast period of 2020-25. APAC represents lucrative opportunities for players operating in the anticoagulants market, attributable to its increasing population base, rising prevalence of cardiovascular disease and VTE, developing economies, improving diagnosis rate, and growing demand for ideal therapeutics.

### Global Anticoagulants Market – By Product Class

Based upon product class Anticoagulants market is classified into Factor Xa Inhibitors, Heparins, Direct Thrombin Inhibitor, Warfin, and others. Direct factor Xa inhibitors are anticoagulants, used to both treat and prevent blood clots in veins, and prevent stroke and embolism in people with atrial fibrillation. The factor Xa inhibitor segment in the anticoagulants market accounted for USD 19.8 billion in 2020.

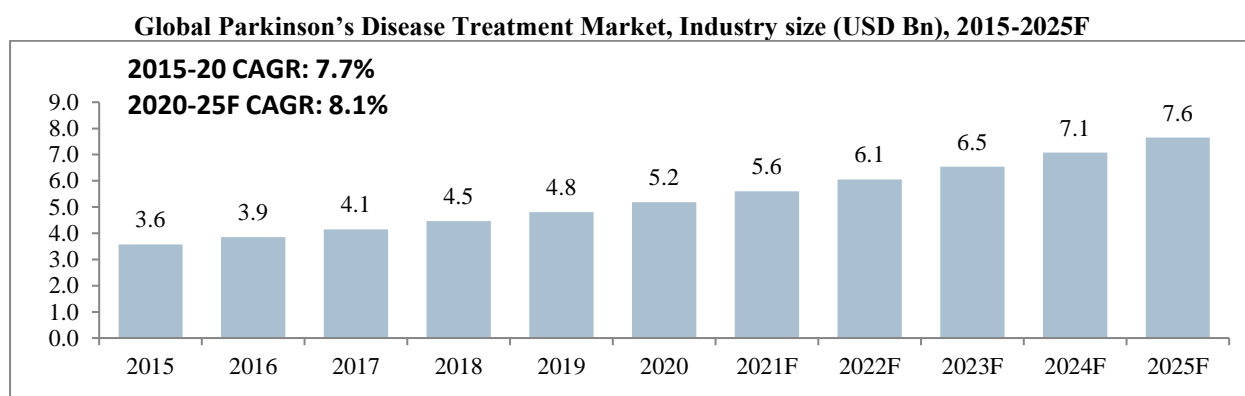
Key drugs forming part of Factor Xa inhibitors

- Apixaban (Eliquis) – Ami Organics is the major manufacturer of the key intermediates for this API

- Betrixaban (Bevyxxa) – Ami Organics is the major manufacturer of the key intermediates for this API
- Edoxaban (Savaysa) – Ami Organics is the major manufacturer of the key intermediates for this API
- Rivaroxaban (Xarelto) – Ami Organics is the major manufacturer of the key intermediates for this API
- Fondaparinux (Arixtra)

### Global Parkinson's Disease Treatment Market

Parkinson's is a neurodegenerative disease which primarily affects the human brain parts, making it difficult for the person to function or perform daily routine. The Global Parkinson's Disease Treatment was valued at USD 5.2 Bn in 2020 and is expected to grow at 8.1% over the forecast period till 2025.



Rising aging population coupled with increasing prevalence of Parkinson's disease will stimulate the demand for Parkinson's disease therapeutics market.

**Notable companies operating in the Parkinson's Disease Treatment** include Companies such as UCB S.A, F. Hoffmann-La Roche Ltd, and Acadia Pharmaceuticals Inc. These companies cover more than half of the share in the global market. Of these, UCB S.A and F. Hoffmann-La Roche Ltd lead the market on account of their respective sales of Neupro and Madopar. After these two companies, Acadia Pharmaceuticals Inc. is the third-most leading company in the market. This is attributable to the rising demand for Nuplazid drug. With the commercial launch of INBRIJ, Acadia Pharmaceuticals share is likely to increase in the forecast years.

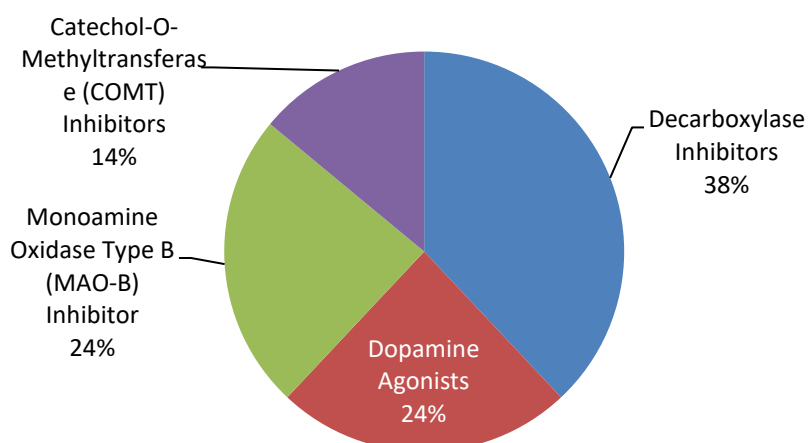
### Global Parkinson's Disease Treatment Market – By Geography

Among regions, Europe witnesses the highest prevalence of Parkinson's and is expected to foresee considerable growth in the forecast years. On the other hand, the market in North America is anticipated to render the maximum share during the forecast period. This is attributable to the rising spending on research and development (R&D) activities and FDA approvals on new pipeline drugs. Improving distribution network among pharma companies is expected to drive the Parkinson's disease market growth in Asia Pacific. The market in this region is likely to report higher CAGR owing to the rising demand for Parkinson's disease drugs from India and China.

### Global Parkinson's Disease Treatment Market – By Drug Class

Based on Drug Class the Global Parkinson's Disease Drugs Market is segmented into Decarboxylase Inhibitors, Dopamine Agonists, Monoamine Oxidase Type B (MAO-B) Inhibitor, Catechol-O-Methyltransferase (COMT) Inhibitors.

### Global Parkinson's Disease Treatment Market – By Drug Class, 2020 (in %)



Source: Frost & Sullivan Research & Analysis

#### Key APIs by Drug Class

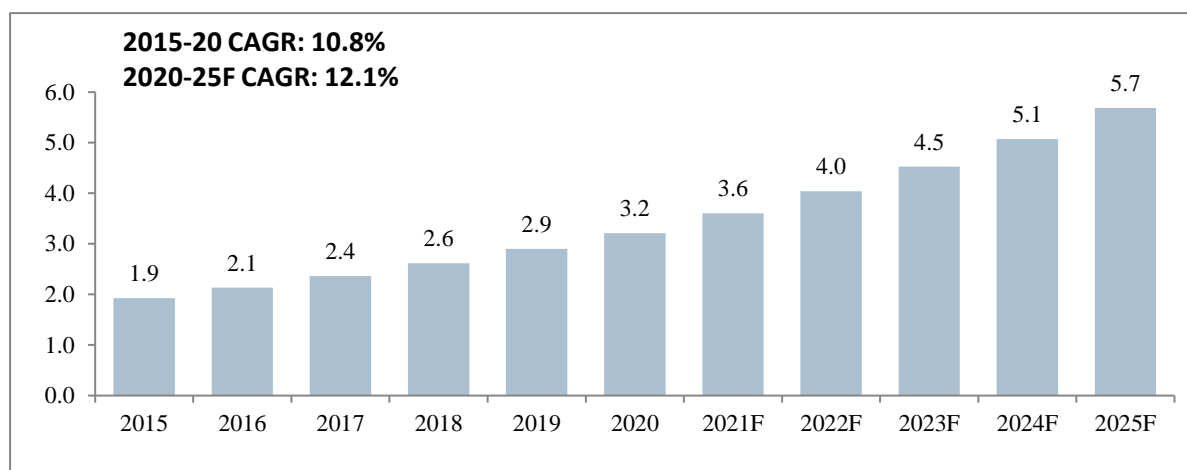
- **Carbidopa-levodopa:** Levodopa, the most effective Parkinson's disease medication, is a natural chemical that passes into your brain and is converted to dopamine. Levodopa is combined with carbidopa (Lodosyn), which protects levodopa from early conversion to dopamine outside your brain. This prevents or lessens side effects such as nausea.
- **Dopamine Agonists** include pramipexole (Mirapex), Ropinirole (Requip) and Rotigotine (Neupro, given as a patch). Apomorphine (Apokyn) is a short-acting injectable dopamine agonist used for quick relief.
- **MAO B inhibitors** include selegiline (Zelapar), rasagiline (Azilect) and safinamide (Xadago).
- **Catechol O-methyltransferase (COMT) inhibitors:** Entacapone (Comtan) and opicapone (Ongentys) are the primary medications from this class. This medication mildly prolongs the effect of levodopa therapy by blocking an enzyme that breaks down dopamine. Tolcapone (Tasmar) is another COMT inhibitor that is rarely prescribed due to a risk of serious liver damage and liver failure. Carbidopa/Levodopa Entacapone (Stalevo) is also prescribed which is a DOPA decarboxylase inhibitor/DA precursor/COMT inhibitor; same as carbidopa/levodopa and Entacaopone. **Ami Organics is the major manufacturer of the key intermediates for Entacaopone API**
- **Anticholinergics** were used for many years to help control the tremor associated with Parkinson's disease. Several anticholinergic medications are available, including benztropine (Cogentin) or trihexyphenidyl.
- **Amantadine:** Doctors may prescribe amantadine alone to provide short-term relief of symptoms of mild, early-stage Parkinson's disease. It may also be given with carbidopa-levodopa therapy during the later stages of Parkinson's disease to control involuntary movements (dyskinesia) induced by carbidopa-levodopa.

#### Global Idiopathic Pulmonary Fibrosis Treatment Market

Idiopathic pulmonary fibrosis (IPF) refers to a progressive and irreversible fibrosing interstitial pneumonia that directly impacts the functioning of the lungs. It is characterized by the formation of scar tissue within the lungs that starts at the edges and progresses toward the center, thus causing difficulties in breathing and insufficient delivery of oxygen to the body parts.

The Global Idiopathic Pulmonary Fibrosis Treatment Market was valued at USD 3.2 Bn in 2020 and is expected to grow at 12.1% over the forecast period till 2025.

### Global Idiopathic Pulmonary Fibrosis Treatment Market, Industry size (USD Bn), 2015-2025F



Idiopathic Pulmonary Fibrosis (IPF) is a rare, chronic, progressive fibrosing interstitial pneumonia which is found to affect the middle-aged and older adults; and affects lung tissue (alveoli in particular) by either thickening, stiffening, or persistent and progressive scarring (fibrosis) which increases irreversibly over time. The increasing prevalence of fibrotic diseases, along with the rising geriatric population across the globe, is one of the key factors driving the growth of the market. Furthermore, changing lifestyle patterns and increasing consumption of nicotine products, such as cigarettes, is providing a thrust to the market growth.

Moreover, smoking tobacco and cigarettes is considered as one of the most common causes for the development of IPF. In line with this, increasing health consciousness among the masses regarding the effective management strategies of IPF is also favoring the growth of the market. Additionally, the advent of novel medicines and advancements in the IPF diagnostic and treatment methods, are acting as other growth-inducing factors.

**Notable companies operating in the Idiopathic Pulmonary Fibrosis (IPF)** include AdAlta Pty Ltd., Biogen, Inc., Angion Biomedica Corp., Chong Kun Dang Pharmaceutical Corp., FibroGen, Inc. Progenra, Inc, Boehringer Ingelheim GmbH and Vectura Group plc. Most companies the focusing on further product development and offer a wider range of IPF therapeutic treatments.

### Global Idiopathic Pulmonary Fibrosis Treatment Market – By Geography

North America Dominates the Global Idiopathic Pulmonary Fibrosis Market. According to the National Institutes of Health, about 100,000 people in the United States have IPF, and approximately 30,000 to 40,000 new cases are found each year.

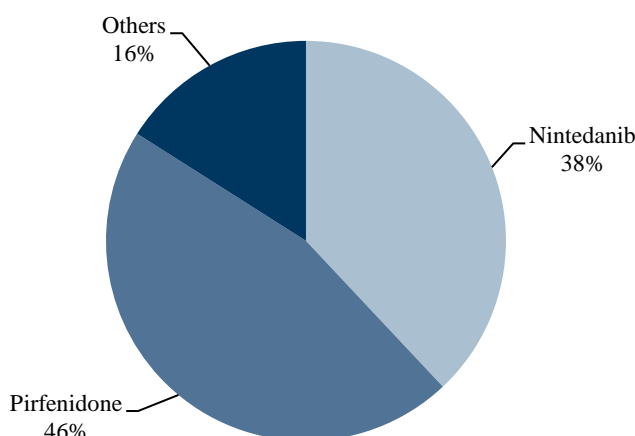
Across the world, the incidence of IPF is estimated to be 10.7 cases per 100,000 person-years for males and 7.4 cases per 100,000 person-years for females. The prevalence of idiopathic pulmonary fibrosis is estimated to be 20 cases per 100,000 persons for males and 13 cases per 100,000 persons for females.

### Global Idiopathic Pulmonary Fibrosis Treatment Market – By Drug Class

Based on Drug Class the Idiopathic Pulmonary Fibrosis Market is segmented by Nintedanib, Pirfenidone, and other drug. **Nintedanib is been used to treat Covid in many countries. It has the potential to block the development of lung fibrosis** when initiated early enough to inhibit the activation of mesenchymal cells and the progression of virus-induced pulmonary fibrosis.

With the outbreak of Covid in 2020 and second wave hitting in 2021, **experts estimate that covid is expected to last for couple of more years and the medication for the same is expected to witness substantial growth in near future. With Nintedanib gaining prominence in treating lung fibrosis, it will have good market traction. Ami Organics is the only supplier to the originator – Borhringer Ingelheim, for key intermediates for producing Nintedanib.**

### Global Idiopathic Pulmonary Fibrosis Treatment Market – By DrugClass, 2020 (in %)



Source: Frost & Sullivan Research & Analysis

#### Key APIs by Drug Class

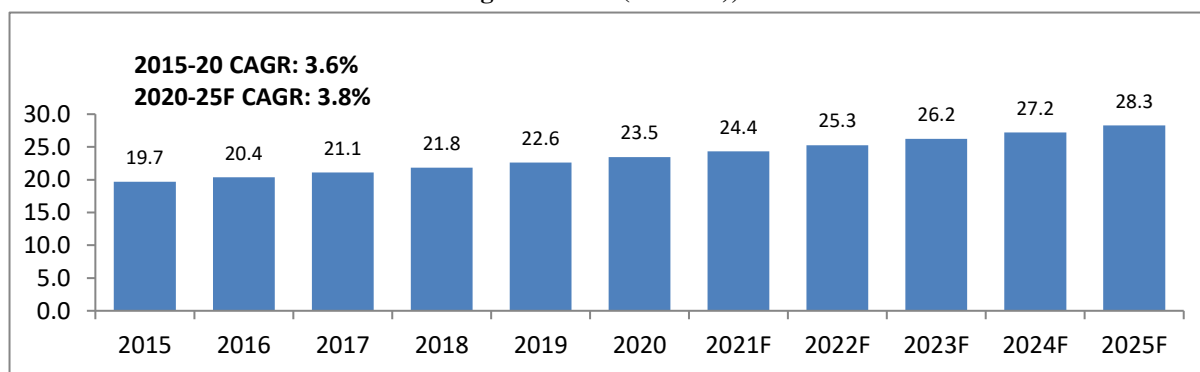
Currently, there are two approved drugs in the market; Esbriet (Pirfenidone) and Ofev (Nintedanib) aims at slowing down the disease progression through acting like anti-fibrotic mediators. Nintedanib is a potent intracellular inhibitor of the receptor tyrosine kinases PDGFR, FGFR, vascular endothelial growth factor receptor (VEGFR) and non-receptor tyrosine kinases of the Src family; Pirfenidone, on the other, is responsible for reducing markers of oxidative stress and reducing the proliferation of lung fibroblasts.

**Ami Organics is the major manufacturer of one of the key intermediates for Nintedanib API**

#### Global Anti-Retroviral (ARV) Market Overview

Scale-up of antiretroviral therapy is on a fast-track trajectory. In December 2018, the number of people living with HIV receiving antiretroviral therapy (ARTs) has increased to about 23.3 million with the global coverage of ARTs reaching to about 62%. The drugs used to treat HIV are called antiretroviral drugs (ARVs). The global ARV market was valued at about USD 23.5 billion in 2020 and expected to grow at 3.8%

#### Market for global ARV (USD Bn), 2015-2025F



#### Competitive Scenario

Gilead Sciences leads the HIV market with leading drugs like Atrypila, Complera, Emtriva and Truvada along with strong pipeline candidates. GSK closely follows the market leader by competing with Atrypila through its latest market addition Triumeq. GSK and Pfizer's HIV specific joint venture ViiV Healthcare contributes extensively towards the HIV drug market. Bristol-Myers, due to discontinuation of its 'Sustiva', lost a small per cent of market share. It is expected to revive, with pipeline candidates being developed in the maturation inhibitor and attachment inhibitor types of ARV drugs. Roche, Abbott and Boehringer Ingelheim make small contributions

through their existing and new drugs. Others include candidates developed by market participants like Janssen Cilag, Pfizer, Tibotec (Janssen Research and Development) and Merck.

### Global Anti-Retroviral (ARV) Market – By Drug Class

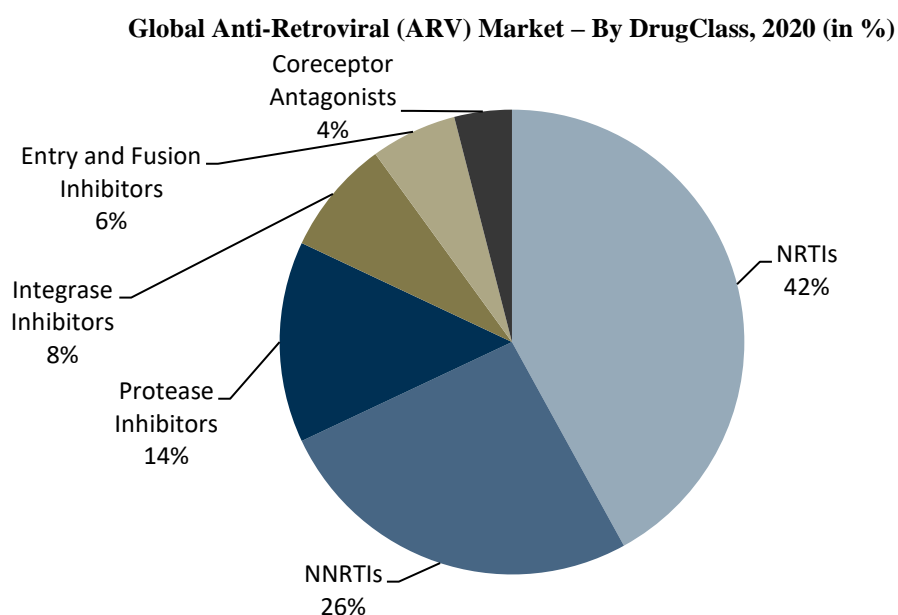
HIV medicines are grouped into seven drug classes according to how they fight HIV:

- Nucleoside and nucleotide reverse transcriptase inhibitors (NRTIs) include drugs such as zidovudine, didanosine, zalcitabine, stavudine, lamivudine, abacavir, emtricitabine and tenofovir
- Non-nucleoside reverse transcriptase inhibitors (NNRTIs) include drugs such as nevirapine, delavirdine, efavirenz and etravirine;
- Protease inhibitors (PI) include drugs such as saquinavir mesylate, fortovase, ritonavir, indinavir, nelfinavir, amprenavir, fosamprenavir, atazanavir, tipranavir and darunavir.
- Fusion inhibitors includes Enfuvirtide (Fuzeon) which is a FDA-approved fusion inhibitor
- CCR5 antagonists include drugs such as aplaviroc, vicriviroc and maraviroc
- Post-attachment inhibitors comprise of ibalizumab (Trogarzo), is the first medication approved for this class in March 2018
- Integrase strand transfer inhibitors (INSTIs) includes raltegravir (Isentress), dolutegravir (Tivicay), elvitegravir (available in combination with other drugs; no longer available alone) and bictegravir (available in combination with other drugs; not available alone)

Dolutegravir and elvitegravir are available in the following combination medications:

- Genvoya (elvitegravir, emtricitabine, tenofovir alafenamide fumarate, cobicistat)
- Stribild (elvitegravir, emtricitabine, tenofovir disoproxil fumarate, cobicistat)
- Triumeq (dolutegravir, abacavir, lamivudine)
- Juluca (dolutegravir, rilpivirine)
- Biktarvy (bictegravir, emtricitabine, tenofovir alafenamide fumarate)

**Ami Organics is the major manufacturer of the key intermediates for Dolutegravir API**

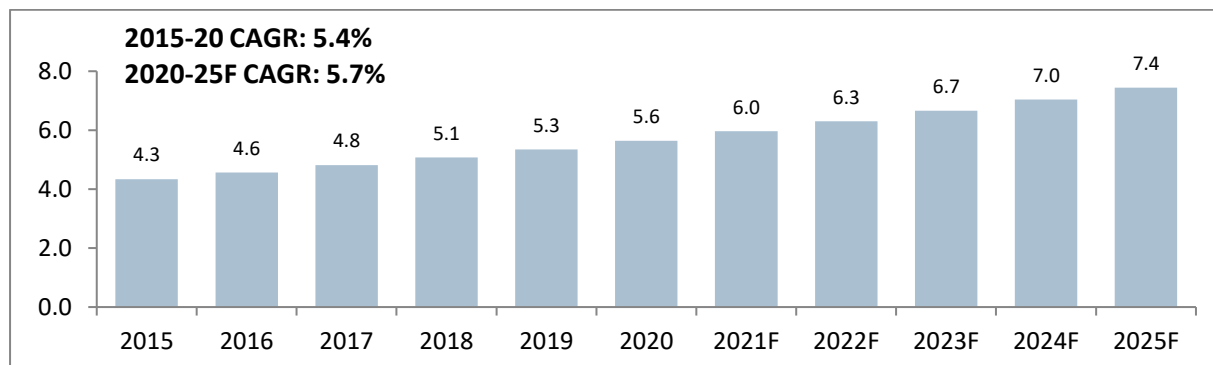


Source: Frost & Sullivan Research & Analysis

## Global Kidney Cancer Drugs Market

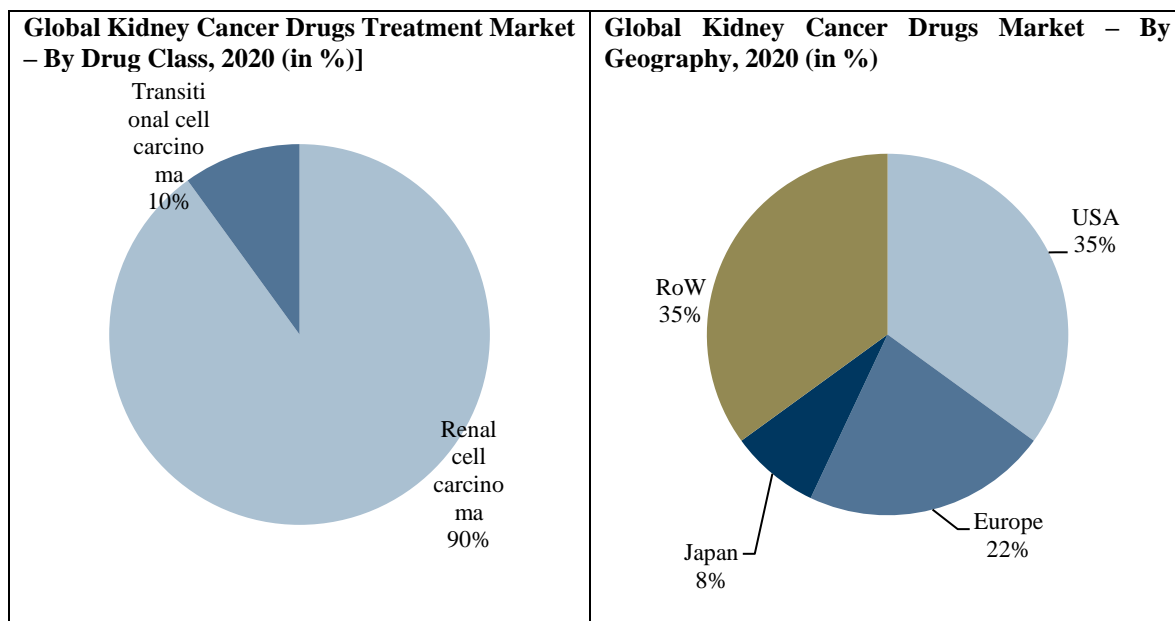
The kidney cancer drug market was valued at USD 5.6 Bn in 2020 and is expected to grow at 5.7% over the forecast period till 2025.

**Global Kidney Cancer Drugs Market, Industry size (USD Bn), 2015-2025F**



**Notable companies operating in the Kidney Cancer Drugs Market** include Bayer, Bristol-Myers Squibb, Eisai, Exelixis, Genentech (Roche), Novartis, Pfizer, and Prometheus Labs. These companies are focusing on product development through clinical collaborations and commercial expansion in emerging markets.

GlaxoSmithKline (GSK) plc is the originator of VOTRIENT (pazopanib). GSK granted Novartis preferred partner rights for commercialisation of GSK oncology products (excluding oncology vaccines). This portfolio includes Pazopanib API. Ami organics is the provider of key intermediates to Novartis for Pazopanib API.



Source: Frost & Sullivan Research & Analysis

## Global Kidney Cancer Drugs Market – By Geography

The U.S. led the market with a share of more than 35.0% in 2020. Japan is expected to experience a high growth rate owing to various factors such as multiple product launches in the region during the forecast period and the existence of a large geriatric population base susceptible to kidney cancer. China offers strong opportunities for market expansion due to the ongoing Healthy China 2020 healthcare reform and the removal of price caps on all medicine categories.



## Global Kidney Cancer Drugs Market – By Drug Class

Kidney cancer accounts for 2.0% of total adult malignancies globally and makes up for 3.8% of all new cancer cases in U.S. Renal cell carcinoma accounts for over 90.0% of all kidney cancers while renal pelvis cancer / transitional cell carcinoma makes up for <10.0% of microscopically confirmed kidney carcinomas. Clear cell renal cell carcinoma is the most prevalent subtype of renal cell carcinoma, affecting 70.0% of patients with RCC.

### Key APIs by Drug Class - Renal cell carcinoma

RTK (Receptor Tyrosine Kinase) inhibitors ^	VEGF (Vascular Endothelial Growth Factor) inhibitors	mTOR (mammalian Target of Rapamycin) inhibitors	TKI (Tyrosine Kinase Inhibitors)
<ul style="list-style-type: none"> <li>Imatinib mesylate.</li> <li>Sunitinib (marketed as Sutent by Pfizer)</li> <li>Lestaurtinib (CEP-701)</li> <li>Sorafenib</li> </ul>	<ul style="list-style-type: none"> <li>Aflibercept,</li> <li>Bevacizumab,</li> <li>Ranibizumab</li> <li>Pegaptanib</li> </ul>	<ul style="list-style-type: none"> <li>Rapamycin</li> <li>Deforolimus (AP23573)</li> <li>Everolimus (RAD001)</li> <li>Temsirolimus (CCI-779)</li> </ul>	<ul style="list-style-type: none"> <li>Axitinib (Inlyta)*</li> <li>Dasatinib (Sprycel)</li> <li>Erlotinib (Tarceva)</li> <li>Imatinib (Glivec)*</li> <li>Nilotinib (Tasigna)</li> <li>Pazopanib (Votrient)*</li> <li>Sunitinib (Sutent)*</li> </ul>

^Ami Organics is the major manufacturer of the key intermediates for all the APIs of this drug class

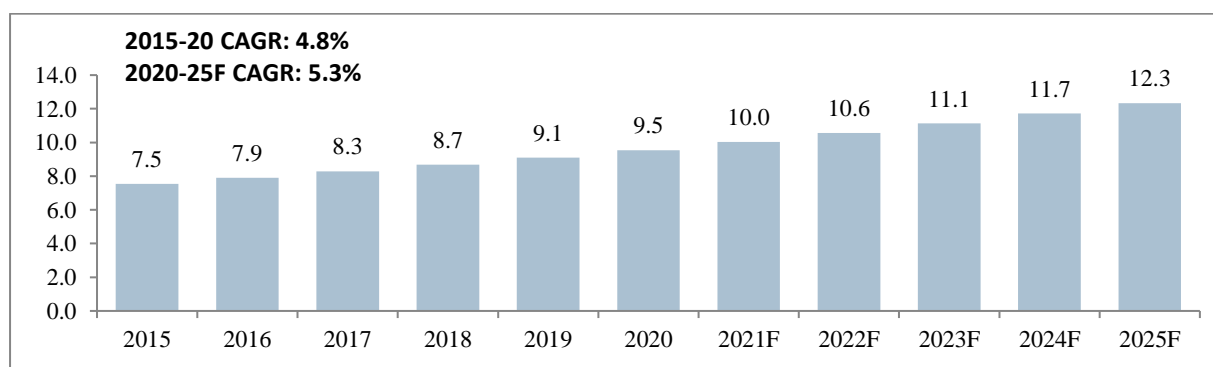
\*Ami Organics is the major manufacturer of the key intermediates for this API

Ami Organics is the major manufacturer of one of the key intermediates for Pazopanib API

## Prostate Cancer Treatment Market

Prostate cancer is a general term used for diseased condition in which abnormal cells grow and invade in uncontrolled manner in the prostate. Prostate cancer inhibits production of male sex hormones (i.e. androgens) and ultimately blocks the action of androgen. The Prostate Cancer Treatment market was valued at USD 9.5 Bn in 2020 and is expected to grow at 5.3% over the forecast period till 2025.

### Global Prostate Cancer Treatment Market, Industry size (USD Bn), 2015-2025F

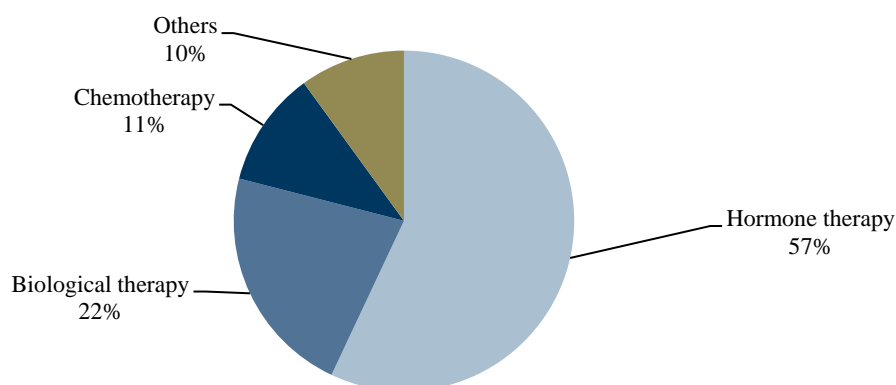


Rise in geriatric population, increase in prevalence of prostate cancer, surge in generic products, rise in awareness among people regarding the treatment of prostate cancer, improved R&D investment by drug innovators, strong emerging pipeline drugs, and availability of new prostate cancer treatments are the major factors that drive the growth of the prostate cancer treatment market.

## Global Prostate Cancer Treatment Market – By Drug Class

Based on drug type, the market is categorized into chemotherapy, biological therapy, and hormone therapy. Presently hormone therapy dominates the global prostate cancer treatment market, and is anticipated to continue this trend throughout the forecast period.

**Global Prostate Cancer Treatment Market – By Drug Class, 2020 (in %)**



Source: Frost & Sullivan Research & Analysis

### Key APIs by Drug Class - Hormone Sensitive Prostate

Based on treatment, the global hormone sensitive prostate cancer market is segmented into:

<b>LHRH Agonists</b> <ul style="list-style-type: none"> <li>▪ Goserelin (Zoladex)</li> <li>▪ Histrelin (Vantas)</li> <li>▪ Leuprolide (Lupron)</li> <li>▪ Triptorelin (Trelstar)</li> </ul>	<b>LHRH Antagonists</b> <ul style="list-style-type: none"> <li>▪ Degarelix (Firmagon)*</li> </ul>	<b>Androgen Inhibitors</b> <ul style="list-style-type: none"> <li>▪ Enzalutamide (Xtandi)</li> <li>▪ Ketoconazole</li> <li>▪ Abiraterone (Zytiga)</li> </ul>	<b>Antiandrogens Inhibitors</b> <ul style="list-style-type: none"> <li>▪ Megestrol (Megace)</li> <li>▪ Bicalutamide (Casodex)</li> <li>▪ Flutamide (Eulexin)</li> <li>▪ Nilutamide (Nilandron)</li> <li>▪ Enzalutamide (Xtandi)</li> <li>▪ Apalutamide (Erleada)</li> <li>▪ Darolutamide (Nubeqa)*</li> </ul>
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*\*Ami Organics is the major manufacturer of one of the key intermediates for this API*

**Ami Organics is the major manufacturer of one of the key intermediates for Darolutamide API**

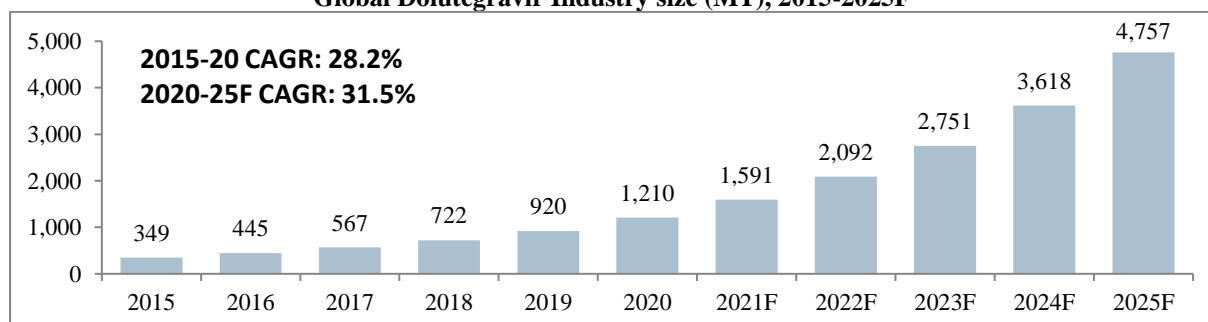
### Overview of Active Pharmaceutical Ingredients Industry

#### API – Dolutegravir

Dolutegravir (DTG), is an API for antiretroviral medication used, together with other medication, to treat HIV/AIDS. It may also be used, as part of post exposure prophylaxis, to prevent HIV infection following potential exposure. It is an oral medication.

It is priced at USD ~600-800 per kilogram. The prices have remained almost the same for the past 2-3 years.

**Global Dolutegravir Industry size (MT), 2015-2025F**



Source: Frost and Sullivan analysis

Being an antiretroviral drug the major market for Dolutegravir is in Africa and Asia. There are over 30 API manufacturers globally with 19 having US DMF. The major API producers for the product are in India. The key ones are as listed below.

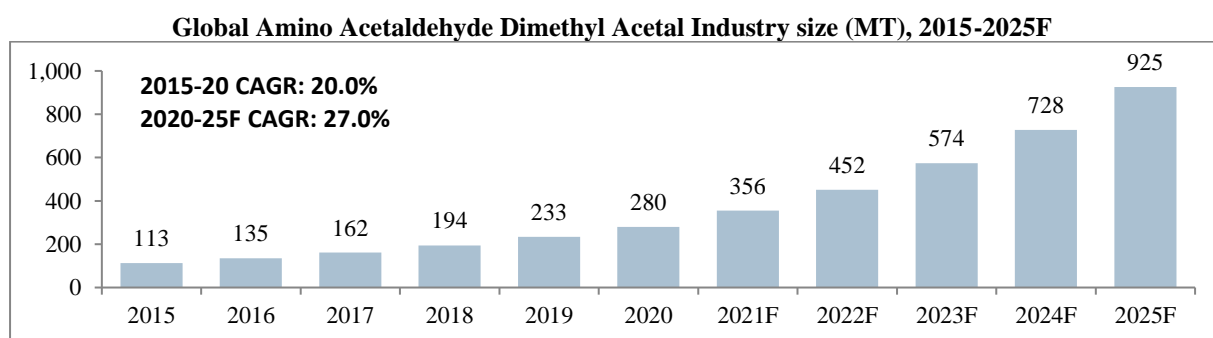
Company	Location
GSK	India
Aurobindo Pharma	India
Emcure Pharmaceuticals Ltd	India
Hetero Labs Ltd	India
Laurus Labs Ltd	India
Adcock Ingram	South Africa
Macleods Pharmaceuticals Ltd	India
Micro Labs Ltd	India
Msn Life Sciences Private Ltd	India
Mylan Laboratories Ltd	India
Shanghai Desano Chemical Pharmaceutical Co Ltd	China
Sun Pharmaceuticals	China
Cipla Ltd	India
Cadila Healthcare Ltd.	India
Divis Laboratories Ltd.	India
Styrax Pharma Pvt. Ltd.	India
Intas Pharmaceuticals Ltd.	India

GSK, Aurobindo Pharma, Laurus Labs, Mylan Laboratories, and Shanghai Desano Chemical Pharmaceuticals make up for more than 50% of the market share and they are expected to continue to dominate the market in the coming years as well.

#### Intermediate - Amino Acetaldehyde Dimethyl Acetal

Dolutegravir is a monocarboxylic acid amide. Major process involves usage of Amino Acetaldehyde Dimethyl Acetal as a key reactant.

The global trade for Amino Acetaldehyde dimethyl acetyl is more than 200 MT with India and China being the biggest exporters contributing to around ~90% of the exports. India alone imports around 60-70 MT of the intermediate, mainly from China. Major Importers in India are Eytan Labs Limited, Stryrax Pharma Pvt. Limited, Sai Adventium Pharma Limited, Hetero Labs Limited. Ami Organics exports to Pharma companies in Europe and China as well. The average price per kilogram is around USD 45-48 which makes for a market of ~USD 12 to 15 Mn given the demand of ~270 MT to 280 MT. India having a few big manufacturers producing the intermediate imports comparatively low quantities of the product in spite of being the hub of Dolutegravir production.



Source: Frost and Sullivan analysis

The global leaders in the market producing the intermediate are:

Company	Location
Ami Organics	India
Pure Chemistry Scientific	US
TCI Chemicals (Catalogue company)	India, Japan
HBC Chem (Catalogue company)	US

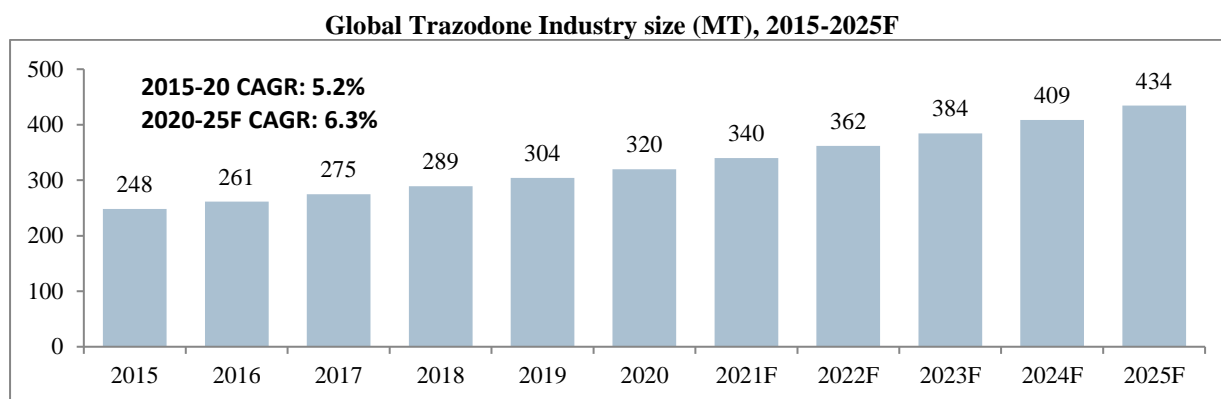
Company	Location
Alfa Chemistry (Catalogue company)	US
Tongchuang Pharma	China
Valiant Fine Chemicals	China
Beijing Xinsavi Chemicals	China
Oceanic Pharmachem (Trader)	India
Dragon Chemicals	China

**Ami Organics hold nearly 70-75% of the global market share in FY21. Ami Organics has been consistently witnessing a growth in sales of Amino Acetaldehyde Dimethyl Acetal since the last few years.**

The largest consumers of the intermediate are GSK, Aurobindo Pharma, Laurus Labs, Mylan Laboratories, Shanghai Desano Chemical Pharmaceuticals, Macleods Pharmaceuticals among others. Ami Organics supplies the intermediates to most of the bigger players in the global market and also supplies to major Dolutegravir producers in India like Sun Pharmaceuticals, Emcure Pharmaceuticals, MSN Life Sciences, Micro Labs, Hetero Labs among others. It contributes to around 85-90% of the Indian demand for **Amino Acetaldehyde Dimethyl Acetal**. With the demand for Dolutegravir expected to grow by 30-32% in the coming years, the demand for the intermediate will also see a considerable growth.

#### API - Trazodone

Trazodone is an antidepressant that belongs to a group of drugs called serotonin receptor antagonists and reuptake inhibitors (SARIs). The global market for the API was estimated to be around 300-320 MT. US has high share with 45% of the demand followed by Europe. The market is expected to grow at a CAGR of over 5-6%.



Source: Frost and Sullivan analysis

Some key manufacturers in the space are:

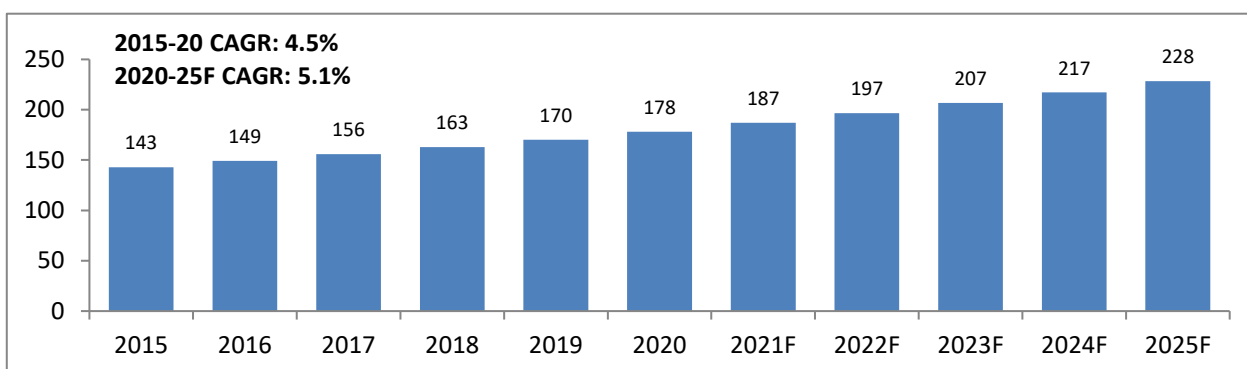
Company	Location	Company	Location
Assia Chemical Industries Ltd	India	Sharon Bio-Medicine Ltd.	India
Cadila Healthcare Limited	India	Tricon Enterprises Pvt. Ltd. (Trader)	India
Fermion Oy	Finland	Intas	India
Granules India Limited	India	Valdepharm/Piramal	India
Organike S.R.L.A.	Italy		

#### Intermediate #1 - 1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine

This intermediate is a building block and belongs to the family of Amines and Heterocyclics compounds. It is largely used in production of pharmaceutical API of Trazodone and Nefazodone.

The global market size for the intermediate is around 178 MT in 2020 and priced at USD 30 per kg, the value size of the market is around USD 5.3 Mn. The price has remained unchanged over couple of years.

### Global 1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

Some key manufacturers in the space are:

Company	Location
Ami Organics	India
Adarsh Dye Chem	India
Darshan Industries	India
Kalki Chemical Industries	India
Kaival Chemicals Pvt. Ltd.	India

Ami organics hold a market share of ~85-90% in the global market with a sale of nearly 160 MT in FY21. Ami Organics has been consistently witnessing a growth in sales of 1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine since the last few years.

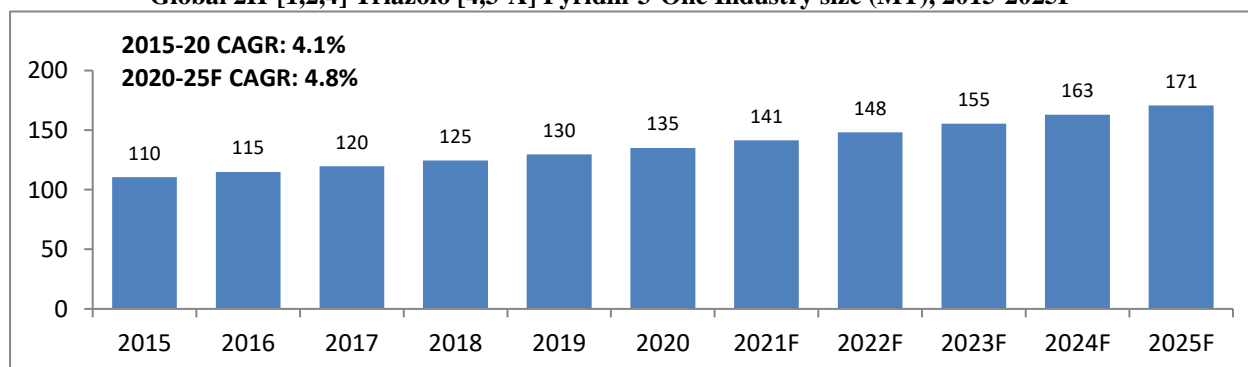
Ami Organics has cleared US FDA for this product

#### Intermediate #2 - 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One

This product is also known as 1,2,4-triazolo[4,3-a]pyridin-3(2H)-one. It is used to prepare a congener of Trazodone (T718500) which was found to be a potent and selective inhibitor of synaptosomal uptake of 5-hydroxytryptamine.

The global market size for the intermediate is around 135 MT in 2020 and priced at USD 32 - 35 per kg, the value size of the market is around USD 4.4 Mn. The price has remained unchanged over couple of years.

### Global 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

**Ami organics hold a market share of ~80-82% in the global market with a sale of more than 100 MT in FY21.**

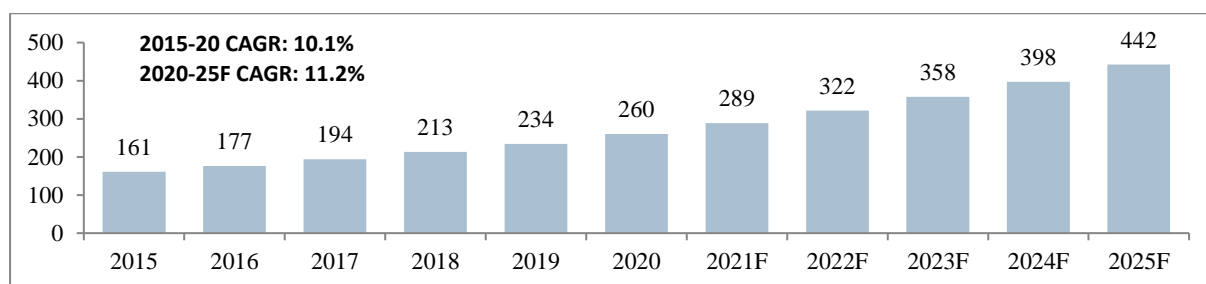
**Ami Organics has cleared US FDA for this product.**

#### **API – Entacapone**

Entacapone is used as API for treatment of parkinson's disease. It is a selective and reversible inhibitor of the enzyme catechol-O-methyltransferase which catalyses a relatively minor pathway of dopamine metabolism.

Entacapone has been priced at ~USD 250 – 350 per kilogram. The prices have slightly increased from an average price range of ~USD 200 – 300 in the last 3 years. The total API volume was estimated to be around 155-160 MT in 2020. On a global level the growth has been stable, whereas in India the market for the same is growing at 6-8%. The largest share of demand in volume terms is held by Europe with 32-33%. India's share is about 5% of the total volume.

**Global Entacapone Industry size (MT), 2015-2025F**



*Source: Frost and Sullivan analysis*

There are over 30 API manufacturers globally with 20 having US DMF. The key ones are as listed below.

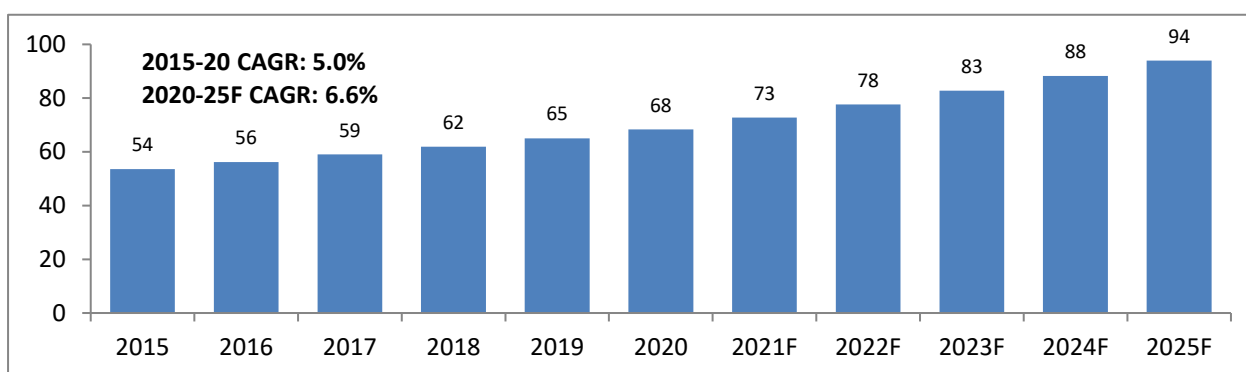
Company	Location	Company	Location
Fermion Oy	Finland	RXN Chemicals	India
ACIC Pharmaceuticals	Canada	RA Chem Pharma Ltd	India
Suven Life Sciences	India	Precise Chemipharma	India
Apollo Pharmaceuticals	USA	Aurobindo Pharma Ltd	India
Sun Pharmaceutical Industries Ltd	India	Jubilant Pharma	India
Neuland Laboratories Ltd	India	Macleods Pharmaceuticals Ltd	India
Sudarshan Solvent Industries	India	HEC Pharm Co Ltd	China

Fermion, ACIC Pharmaceuticals, Apollo Pharmaceuticals, Jubilant Pharma, RXN Chemicals, Sudarshan Solvent Industries, Precise Chemipharma, Suven Life Sciences, and HEC Pharm make up for more than 60% of the market share being the largest global producers of Entacapone.

#### **Intermediate - 3,4-Dihydroxy 5 Nitrobenzaldehyde**

In the most common method of production the API is manufactured by Knoevenagel condensation of 3,4-dihydroxy-5-nitrobenzaldehyde with 2-cyano-N,N-diethylacetamide to give Entacapone with a yield of 73%.

**Global 3,4-Dihydroxy 5 Nitrobenzaldehyde Industry size (MT), 2015-2025F**



Source: Frost and Sullivan analysis

The global trade for 3,4-Dihydroxy 5 Nitrobenzaldehyde is more than 40 MT with China and India largely contributing to the trade. India alone imports around 20 MT of the intermediate, mainly from China. Major Importers in India are Neuland Laboratories, Aurobindo Pharma, Ra Chem Pharma Ltd., Sun Pharmaceuticals, Macleods Pharmaceuticals. Other importers from across the globe are Fermion (Finland), Standard CHem and Pharma Co. (China), Dipharma (Italy), HEC Pharm Co Ltd, Fabrica Italiana (Italy), among others. The average price per kilogram is around USD 40-45 which makes for a market of ~USD 2.8 to 3 Mn with a global demand of ~68 MT. India having a few domestic manufacturers producing the intermediate, imports very low quantities of the product.

Some key manufacturers in the space are:

Company	Location
Ami Organics	India
Aastrid International	India
Enal Drugs	India
Ramdev Chemicals	India
Singachem Corporation	China
Hangzhou Dayangchem	China

**Ami organics hold a market share of ~45-50% in the global market with a sale of nearly 30 MT in FY21.**

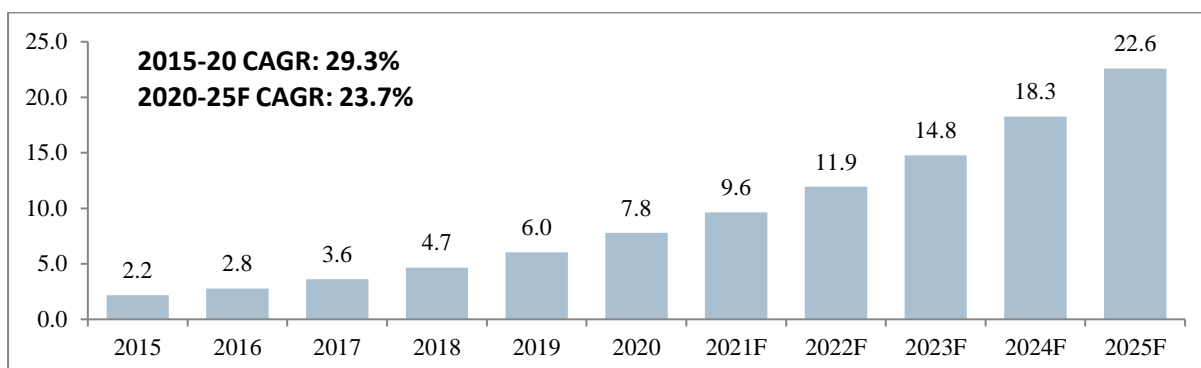
As the aging population levels continue to grow in developed markets, the number of people suffering from Parkinson's disease (PD) may also continue to grow, which is expected to double by 2040. The company aims to gain a market share of 75 – 80% by 2022.

#### **API - Nintedanib**

Nintedanib is in a class of medications called kinase inhibitors. It works by blocking the action of enzymes involved in causing fibrosis. An oral medication used for the treatment of Idiopathic Pulmonary Fibrosis (IPF).

**Ami organics is providing intermediates to Boehringer who is the originator of the API.** Average price of Nintedanib was USD 15,000 – 16,000 USD / MT in 2020. The average price was around USD 40,000 in 2016 which has reduced drastically in the last couple of years. The market size in value terms was around USD 125 Mn in 2020.

### Global Nintedanib Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

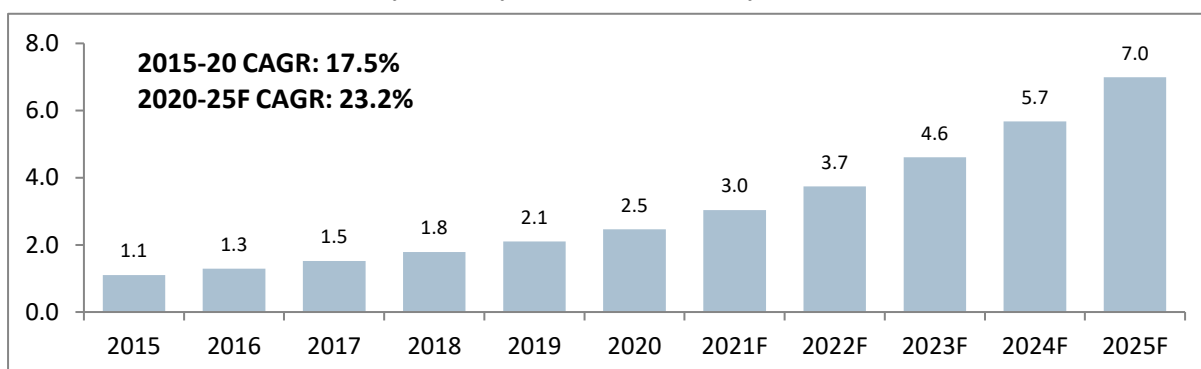
Some of the key API manufacturers include.

Company	Location	Company	Location
Boehringer Ingelheim	Germany	Midas Pharma	India
Cipla Ltd.	India	Glenmark Pharma	India
Biocon Ltd.	India	JINLAN Pharm-Drugs Technology Co., Ltd.	China
Sun Pharma Ltd.	India	Suzhou Bichal Biological Technology	China
BDR Lifesciences Private Limited	India	Shandong Octagon Chemicals Limited	China
Leonid Chemicals Pvt Ltd	India	Olon S.p.A.	Italy
MSN Life Sciences Private Limited	India	Formosa Labs	Taiwan
Teva	India		

Boehringer Ingelheim, Cipla Ltd., Biocon Ltd., Sun Pharma Ltd. BDR Life Sciences, MSN Life Sciences, Teva, Midas Pharma, etc. make up for more than 70-75% of the market share being the largest global producers of Nintedanib.

### Intermediate #1 - 6-Methoxy Carbonyl-2-Oxindole-Fg

#### Global 6-Methoxy Carbonyl-2-Oxindole Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

The average price per kilogram is around USD 375 – 385 which makes for a market of ~USD 0.9 to 1.0 Mn with a global demand of ~2.5 MT. India having a few domestic manufacturers producing the intermediate, imports very low quantities of the product.

Some key manufacturers in the space are:



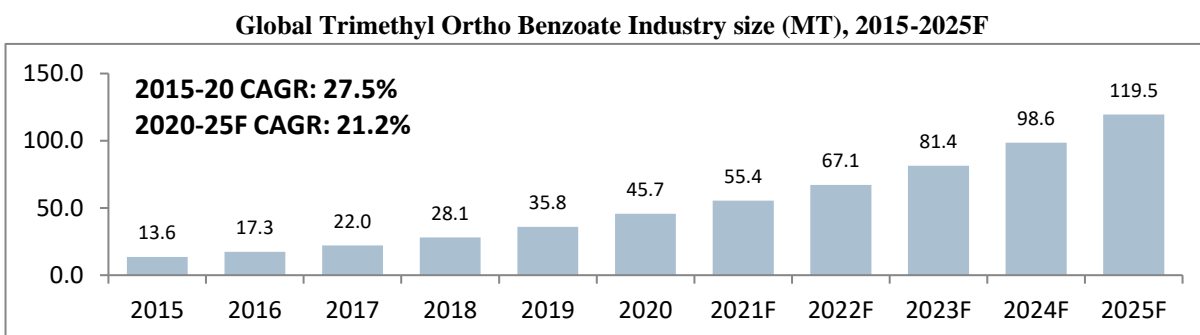
Company	Location
Ami Organics	India
Shijiazhuang Dingmin Pharmaceutical Sciences Co., Ltd.	China

Ami Organics hold a market share of ~40% in the global market with a sale of more than 0.97 MT in FY21. Ami Organics has been consistently witnessing a growth in sales of 6-Methoxy Carbonyl-2-Oxindole since the last few years.

Ami Organics holds process patent for this intermediate

#### Intermediate #2 - Triemethyl Ortho Benzoate

The price of Trimethyl Ortho Benzoate is around USD 32-35 per KG. The prices have remained constant over last couple of years. The value market size of the intermediate is USD 1.4 to 1.6 Million



Source: Frost and Sullivan analysis

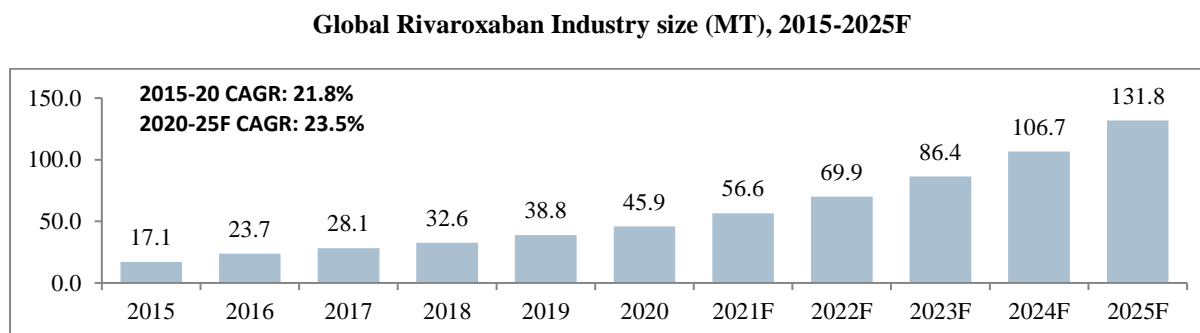
Some key manufacturers in the space are:

Company	Location
Ami Organics	India
Taizhou Crene Biotechnology Co., Ltd	China
Sinobioway Biomedicine	China
Rhythm Chemicals Pvt. Ltd.	India

Ami organics hold a market share of 30% - 35% in the global market with a sale of more than 16.1 MT in FY21. Ami Organics has been consistently witnessing a growth in sales of Trimethyl Ortho Benzoate since the last few years.

#### API – Rivaroxaban

Rivaroxaban is an anticoagulant medication (blood thinner) used to treat and prevent blood clots. Specifically it is used to treat deep vein thrombosis and pulmonary emboli and prevent blood clots in atrial fibrillation and following hip or knee surgery. The global market for the drug was estimated to be around USD 15-16 Bn in 2020.



Source: Frost and Sullivan analysis

There are over 80 API manufacturers globally with 45 of them having an US DMF.

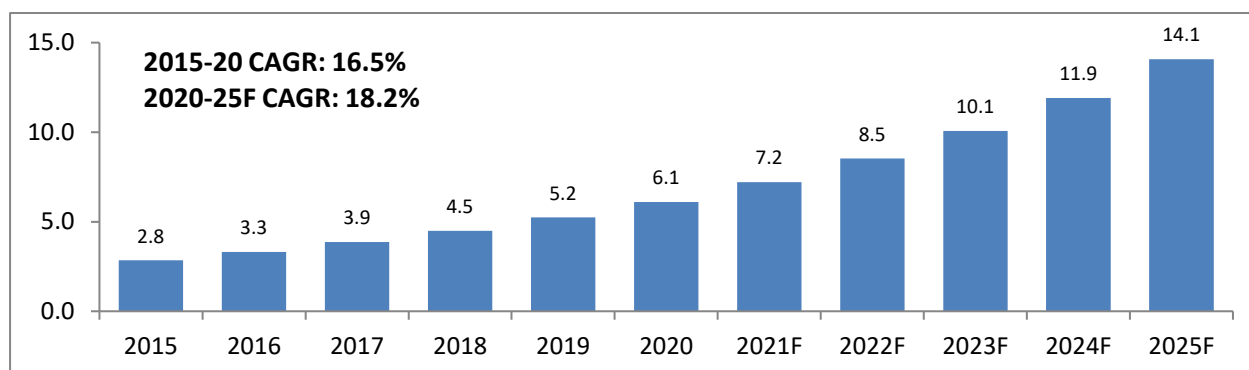
Company	Location	Company	Location
Bayer AG	Germany	Ajanta Pharma Ltd.	India
Janssen Pharmaceuticals	Belgium	Cipla Ltd.	India
J&J	USA	Midas Pharma	India
Apotex Pharmachem	Canada	Unichem Laboratories Ltd	India
Biocon Limited	India	Medichem Manufacturing (Malta) Ltd.	India
Cadila Healthcare Ltd.	India		

The biggest players in the market are Bayer, Janssen Pharmaceuticals and J&J which account for more than 80% of the market. The market in India is limited. Most volumes are sold in Europe and US markets. Global growth has been over 20-25% in last five years. The price range per kilogram has been around USD 3,000 – 4,000. The prices were comparatively on the upper side of USD 3500 in 2019 as compared to its previous years.

### Intermediate #1 - Glycidyl Phthalimide

It is mainly used in manufacturing of Rivaroxaban.

**Global Glycidyl Phthalimide Industry size (MT), 2015-2025F**



Source: Frost and Sullivan analysis

The global trade of the intermediate is around ~ 2.5 – 3.5 MT with India and China being the net exporters. Key importers across the globe are Apotex (Canada), Polpharma (Poland), Medichem (Spain), Inke (Spain), Teva (Israel) among others. India imports around 0.3 - 0.4 MT mainly from China. Major Indian importers are ZCL Chemicals Limited, Dr. Reddys's, Ami Lifesciences, APIPL, Biocon Limited, Cadchem Laboratories, Cadila Healthcare, Medichem among others. A few producers of the intermediate

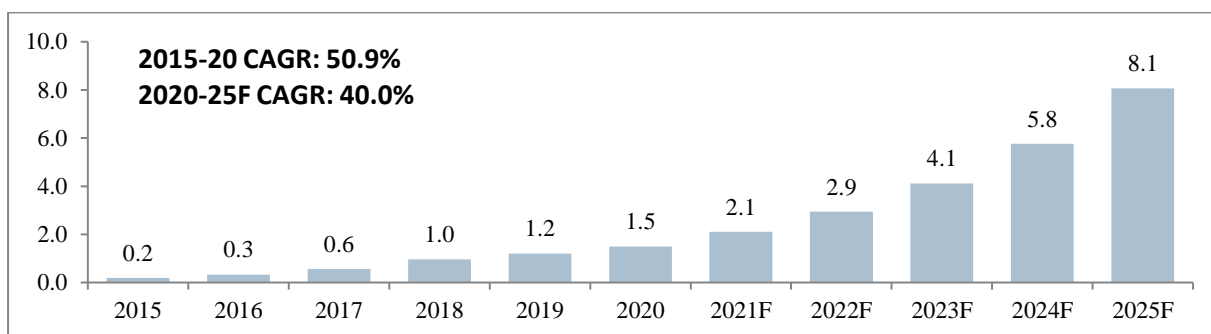
Company	Location
Ami Organics	India
Actis Generics	India
Hunan Ouya Biological Company	China
Royal Pharma	India
Optimus Drugs	India

**Ami Organics hold a market share of nearly 50-60% contributing to more than 3.5 MT of the global demand of ~6.1 MT in 2020. Ami Organics has been consistently witnessing a growth in sales of Glycidyl Phthalimide since the last few years.** The average price ranges from ~USD 100 and thereby the market for the intermediate is valued at around ~USD 0.6 – 0.7 Mn with the major demand from India, China and Europe alone.

### Intermediate #2 - 4-(4-Aminophenyl) Morpholin-3-One

4-(4-Aminophenyl) Morpholin-3-One is one of the key intermediates used in production of the API. This route of synthesis provides cheap and accessible raw materials, milder reaction conditions and higher yields

### Global 4-(4-Aminophenyl) Morpholin-3-One Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

The global market demand for the intermediate is valued at around USD 0.3 – 0.35 Mn with the major demand from India and China alone with an average price ranging from USD 200-220. The global trade of the intermediate is around 1 MT – 1.5 MT with China being the net exporter. Key importers across the globe are Apotex (Canada), Teva (Israel) among others. India has negligible exports but imports around 0.5 MT mainly from China. Major Indian importers are Dr. Reddys's, Ami Lifesciences, APIPL, Biocon Limited, GVK among others. With Ami Organics supplying the intermediate to most of the bigger players, **Ami Organics holds a market share of 35-45% in FY21. Ami Organics has been consistently witnessing a growth in sales of 4-(4-Aminophenyl) Morpholin-3-One since the last few years.**

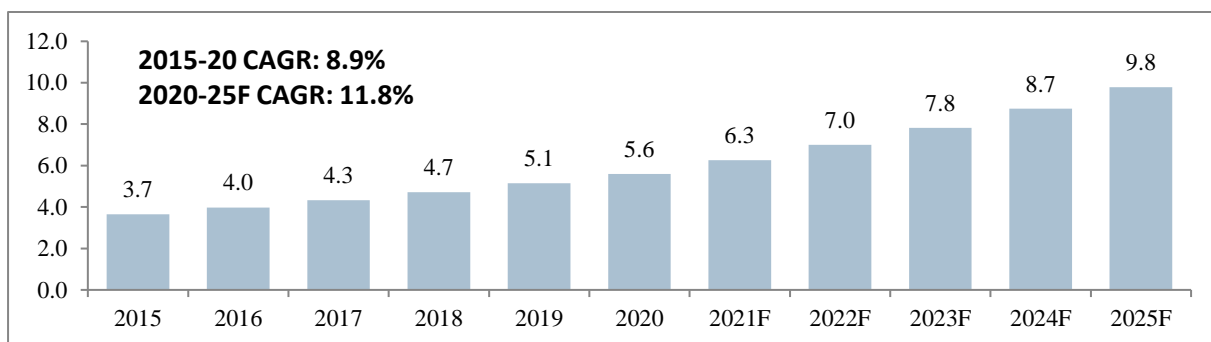
A few producers of the intermediate other than Ami Organics are TCI chemicals, Chongqing Chemdad Co., Ltd, Capot Chemical Co. Ltd., Shanghai Bojing Chemical Co. Ltd. Beijing Cooperate Pharmaceutical Co. Ltd, Henan DaKen Chemicals, Nanjing Shizhou Biotechnology Co. Ltd.

### Ami Organics holds process patents for this intermediate in India

### API - Pazopanib

It belongs to a class of drugs known as tyrosine kinase inhibitors. It works by decreasing the blood supply to the cancer tumor to slow tumor growth. Pazopanib is used for the treatment of advanced renal cell carcinoma.

### Global Pazopanib Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

Some of the key API manufacturers include.

Company	Location	Company	Location
JINLAN Pharm-Drugs Technology Co., Ltd.	China	Laurus Labs Limited	India
Shenzhen Haorui Industrial	China	Mac Chem Products I. Pvt. Ltd	India
Suzhou Bichal Biological Technology	China	Medichem S.A.	Spain
Shandong Octagon Chemicals Limited	China	Sun Pharmaceuticals Industries Ltd	India
Biocon Ltd.	India	Hetro Labs	India
Dishman Carbogen Amcis Limited	India	Laurus Labs	India
Dottikon Exclusive Synthesis AG	Germany	Formosa Labs	Taiwan

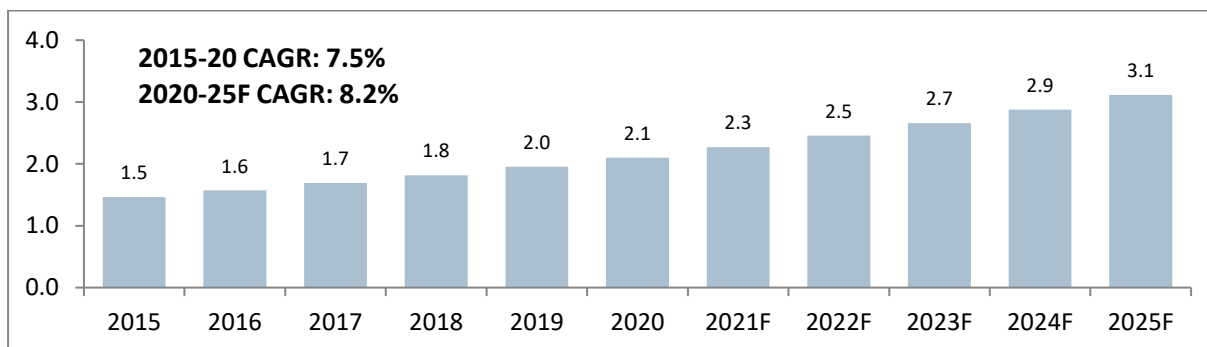
Fis - Fabbrica Italiana Sintetici S.P.A.	Italy	Acebright Pharma	India
Granules India Limited	India	Cipla Ltd.	India
Ind Swift Laboratories Limited	India		

2,4-Dichloropyrimidine is one of the key intermediate to manufacture Pazopanib

#### Intermediate #1 - 2,4-Dichloropyrimidine

2,4-Dichloropyrimidine is a human skin sensitizer.

**Global 2,4-Dichloropyrimidine Industry size (MT), 2015-2025F**



Source: Frost and Sullivan analysis

The average price per kilogram is around USD 150 – 160 which makes for a market of ~USD 0.30 to 0.35 Mn with a global demand of ~2,100 Kg. India having a few domestic manufacturers producing the intermediate, imports very low quantities of the product.

Major importers of 2,4-Dichloropyrimidine in India are TCG Lifesciences Limited, Tokyo Chemical Industry (India) Private Limited., Gvk Biosciences Pvt Ltd., Thermo Fisher Scientific India Private Limited. However each of the company is importing in few kgs and do account much to the global market.

Some key manufacturers in the space are:

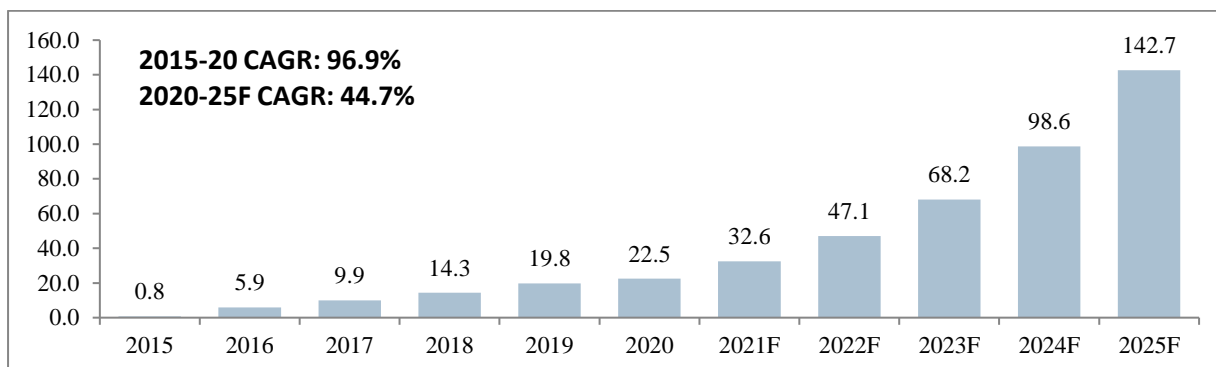
Company	Location		
Ami Organics	India	RVR labs Pvt. Ltd.	India
Vanamali Organics Private Limited	India	Harikrishna Enterprise	India
Granules India Limited	India	Viwit Pharmaceuticals Limited	India
Suven Life Sciences Limited	India	Hunan HuaTeng Pharmaceutical Co., Ltd.	China
NSR laboratories (Formerly Amino Organics)	India		

**Ami organics hold a market share of ~86-88% in the global market with a sale of more than 1,850 Kg in FY21. Ami Organics has been consistently witnessing a growth in sales of 2,4-Dichloropyrimidine since the last few years.**

#### API – Apixaban

Apixaban is an anticoagulant medication used to treat and prevent blood clots and to prevent stroke in people with non-valvular atrial fibrillation. The global market for the drug was estimated to be **over USD 14-15 Bn in 2020**. Specifically it is used to prevent blood clots following hip or knee replacement and in those with a history of prior clots. It is used as an alternative to warfarin and does not require monitoring by blood tests.

### Global Apixaban Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

In 2018, Apixaban was the 66th most commonly prescribed medication in the United States with more than 12 million prescriptions. On a global level the growth has been exponential, in India the market for the same has doubled in the last five years from a very low volume. The largest share of demand in volume terms is held by Europe with 43%, this is closely followed by North America with 27% share. India's share is negligible as of now.

There are over 70 API manufacturers globally with 35 having US DMF. The key ones are as listed below.

Company	Location	Company	Location
MSN Laboratories Private Ltd	India	Glenmark Life Sciences Ltd	India
Micro Labs	India	Delmar Chemicals Inc	Canada
Mylan Laboratories	India	Natco Pharma	India
Bristol-Myers Squibb - Portola Pharmaceuticals	USA	Teva Pharmaceutical Industries Ltd	Israel
DEAFARMA	Italy	Indoco Remedies Ltd	India
Pfizer	USA	Micro Labs Ltd	India
Zhejiang Huahai Pharmaceutical Co Ltd	China	Intas Pharmaceuticals	India
Abbott	USA	Macleods Pharmaceuticals	India

The API is priced at around ~USD 7,000 – 10,000 and has been in the same range for the past 2-3 years. With a rise in demand, the prices are also expected to see a growth in the coming years.

The production of API involves usage of intermediates like 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2 and Ethyl Chloro [(4-Methoxy Phenyl) Hydrazono] Acetate.

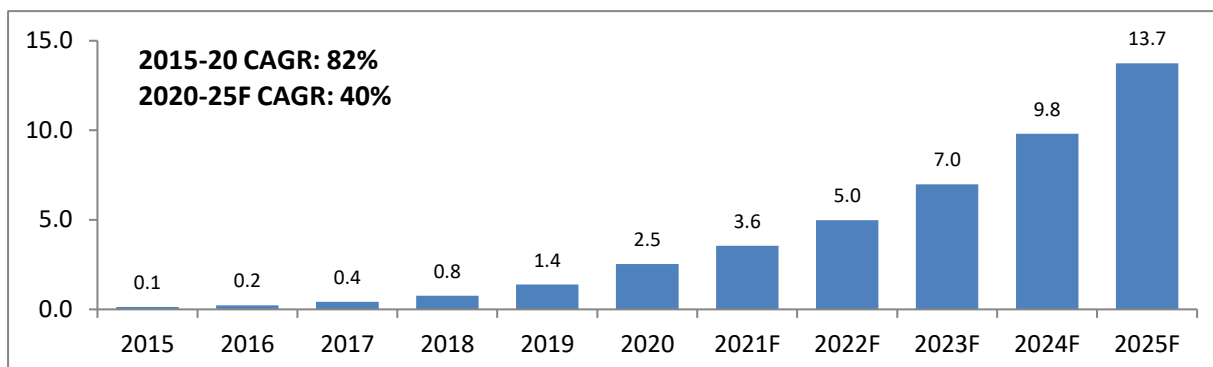
#### Intermediate #1 - 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2

Ami Organics produces around 53 Kilograms of the intermediate and has seen a 7 fold growth in volume since FY18. The average price per kilogram is around USD 850-950. The market size of the intermediate is relatively smaller than Ethyl Chloro [(4- Methoxyphenyl) Hydrazono] Acetate and makes up for around 100-150 kilograms in volume and USD 0.10 - 0.12 Mn in terms of value. **Ami Organics is one of the larger players in the market contributing to ~50% of the total market in FY21 with other smaller players making up for the remaining market. Ami Organics holds process patent for this intermediate in India.**

#### Intermediate #2 - Ethyl Chloro [(4- Methoxyphenyl) Hydrazono] Acetate

The average price range per kilogram is around USD 120-150. The global market is around USD 0.2 Mn – USD 0.25 MN with a net demand of 1.6 MT to 1.7 MT. The prices are expected to grow in the coming years given the growth in demand of the intermediate.

### Global Ethyl Chloro [(4- Methoxyphenyl) Hydrazono] Acetate Industry size (MT), 2015-2025F



Source: Frost and Sullivan analysis

The major manufacturers of the intermediate are:

Company	Location	Company	Location
Ami Organics	India	Syntame	China
Optimus Drugs Pvt Ltd	India	Royal Pharma	India
Actis Generics Pvt Ltd	India	Speranza Chemical	China
Beijing Cooperate Pharmaceutical	China	Srini Pharmaceuticals Pvt	India
Cangzhou Enke Pharma	China		

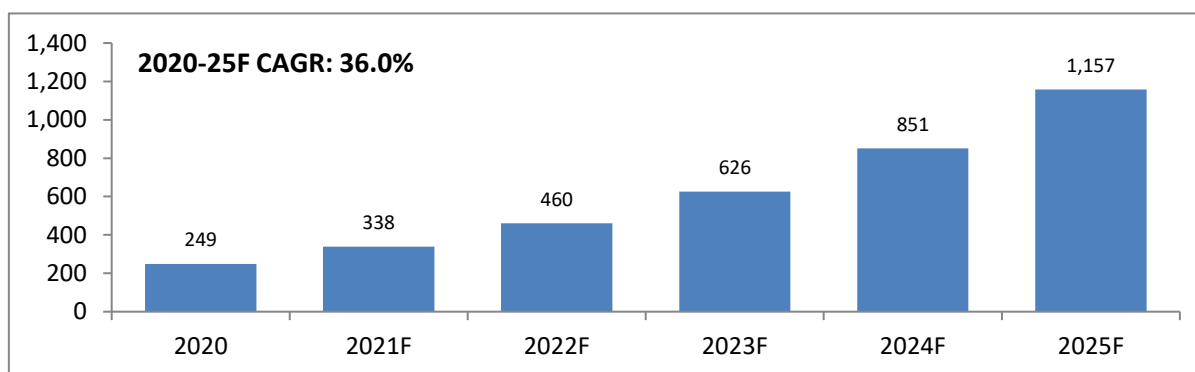
India produces over 75% of the intermediate. The global trade of the intermediate is around less than 1 MT with India and China being the key exporters. India imports close to 0.3 MT and **Ami Organics is one of the leading producers of the intermediate in India.** Moreover the company has process patent that caters to majority of the customers globally

### API - Darolutamide

It is a second- or third-generation nonsteroidal antiandrogen (NSAA). It is an antiandrogen medication which is used in the treatment of non-metastatic castration-resistant prostate cancer in men. Darolutamide is a new anticancer NCE (new chemical entity) in the final development stage. The compound was first synthesized and developed by Orion, who partnered it with Bayer for Phase III clinical development. Bayer holds the global marketing rights, while Orion and its subsidiary Fermion handle all the CMC and manufacturing activities from early clinical development to commercial production. Orion manufactures the drug products, while Fermion manufactures the Darolutamide API. Orion holds co-promotion rights for Europe. **Ami Organics is the supplier to Bayer/Orion.**

The drug is extremely new and priced at ~USD 6500-7500 per kilogram. Current market size is as low as ~50 kilograms with a revenue size of ~0.25-0.3 Mn

**Global Darolutamide Industry size (USD Mn), 2020-2025F**



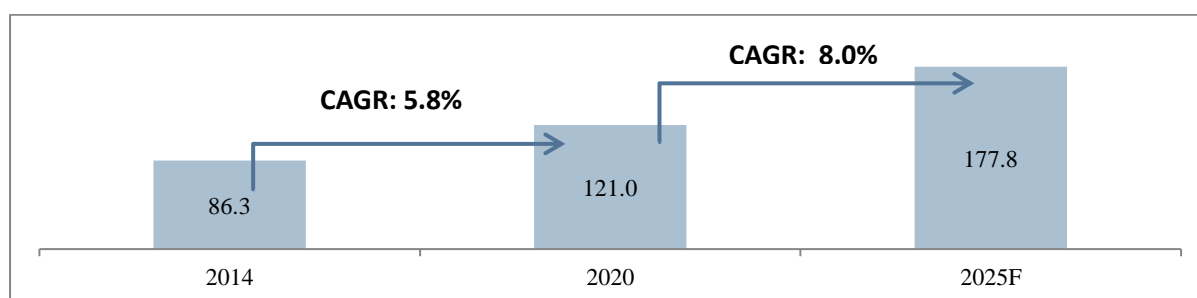
Source: Sellside consensus compiled by EvalutePharma, Frost and Sullivan analysis

## Overview of CRAMS Market

### Global CRAMS Market

The global market for custom synthesis & manufacturing was valued at US \$ 121billion for the year 2020 for global fine chemicals contract manufacturing. Custom synthesis & manufacturing is used for contract synthesis of agrochemical technical grades or active ingredients, intermediates and niche products. This market is anticipated to grow at 8 per cent CAGR in next 5 years.

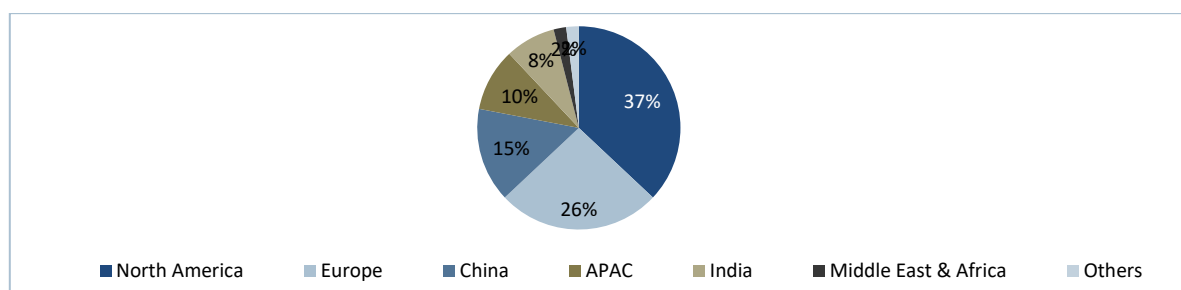
**Global Custom Synthesis & Manufacturing Market (in USD Bn), 2014-25F**



Source: Frost & Sullivan Research & Analysis

Major drivers of global customs synthesis and manufacturing market are new active ingredients development, innovators shifting focus to core competencies and outsourcing of production to low manufacturing cost destinations.

### Global custom synthesis & manufacturing market, Split by Region , USD Bn



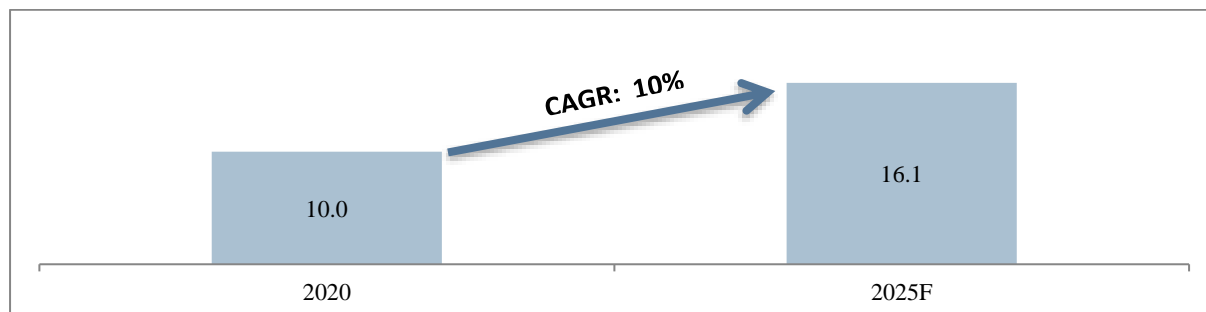
Source: Frost & Sullivan Research & Analysis

### India CRAMS Market

India market constitutes almost ~8% of the global CRAMS market which totals to USD 10 billion for the year 2020 for global fine chemicals contract manufacturing. This market is anticipated to grow at 10 per cent growth

rate in next 5 years. The main driver of the market includes increasing contract manufacturing trend of fine chemicals in India. Many global companies are preferring investment in contract manufacturing in India. This is predominantly due to lower manufacturing cost available in the country. Also, shifting of focus of innovators towards core competencies is making manufacturing on contract basis.

#### Indian Custom Synthesis & Manufacturing Market (in USD Bn), 2020-25F



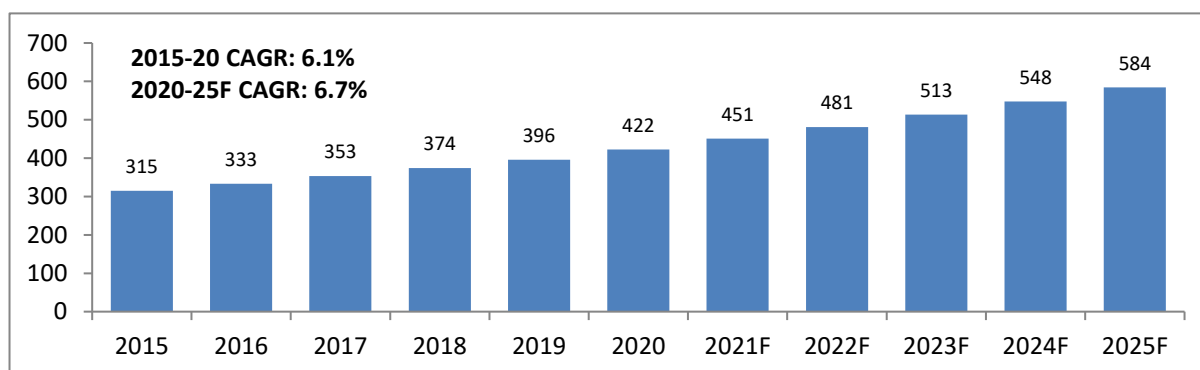
Source: Frost & Sullivan Research & Analysis

In 2020, almost 80% of the Indian specialty chemicals CRAMS market is captured by fine chemicals (by value) which are nothing but single molecule compounds widely used across crop protection chemicals & API industries.

#### Overview of the Salicylic Acid Market

Salicylic acid is a beta hydroxy acid which is well-known for reducing acne by exfoliating the skin and keeping pores clear. It is found in a variety of over-the-counter (OTC) products and some of the prescription-strength formulas. Salicylic acid works best for mild acne (blackheads and whiteheads). It can also help prevent future breakouts. Commercially, it is manufactured by chemical synthesis of phenol.

#### Global Salicylic Acid, Industry size (USD Mn), 2015-2025F



#### Salicylic Acid - Application Analysis & Demand Drivers

Salicylic acid is used in multiple end industries including pharmaceutical, food & preservatives and cosmetics industry. The market was dominated by pharmaceutical application owing to increasing use of salicylic acid-based drugs for the treatment of various skin related disorders and for cardiovascular diseases and Hughes syndrome. Salicylic acid is also extensively used in manufacturing aspirin. Increasing consumption of aspirin tablets owing to superior pain-relieving action coupled with easy availability of the drug is expected to bolster demand.

Within food and preservatives industry Salicylic acid is used to increase the shelf life of the products. Growing use of salicylic acid and its derivatives in the food and beverage industry to prevent spoilage and fermentation is expected to translate into increase market demand. In addition, the growing use of salicylic acid as preservatives to prolong the shelf-life of products such as sauces, beer, and wine is expected to augment the demand for salicylic acid products.

The cosmetics industry is estimated to witness increasing demand for salicylic acid due to high demand for facial creams and acne reduction preparations. In addition, the market is expected to witness an increasing demand for

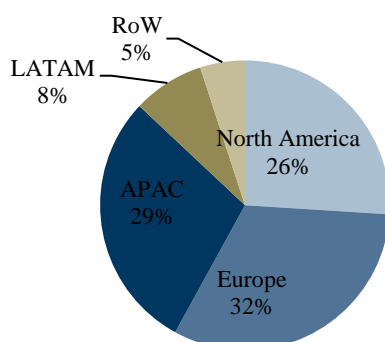


shampoos and conditioners that are used to treat various hair conditions.

### **Salicylic Acid - Geography Analysis**

Europe accounted for the substantial market share of over 30% owing to a growing skincare and hair care industry propelled by increasing awareness about health and hygiene in the region. Also, increasing adoption of aspirin to treat and prevent ailments such as strokes and dementia among aging population is expected to drive the market growth over the forecast period. However, stringent regulations employed by the European Commission regarding the use of salicylic acid are anticipated to affect the growth.

**Global Salicylic Acid Market Split by Geography, 2020 (in %)**



Source: Frost & Sullivan Research & Analysis

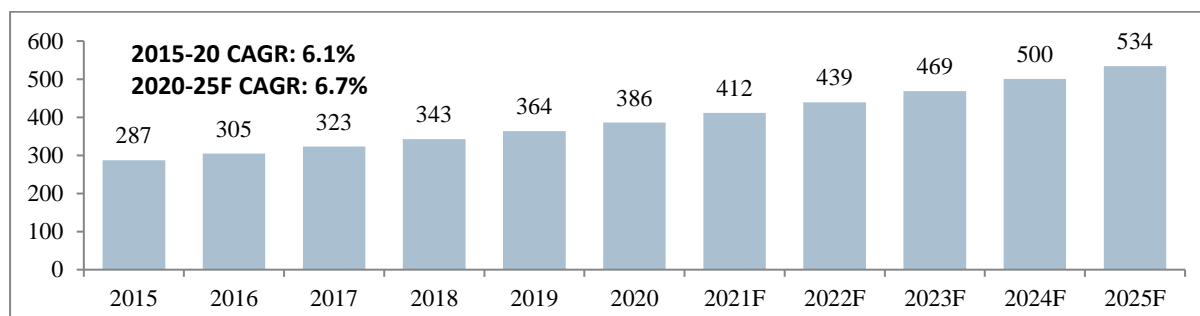
### **Competition Scenario:**

The global salicylic acid market is highly fragmented, characterized by a small number of manufacturers with varied pricing patterns by end-use application. Gujarat Organics (Business now acquired by Ami Organics Limited) specializes in Methyl Salicylate and 5-Chloro Salicylic Acid. The company also deals in small portions of 4 Amino Salicylic Acid

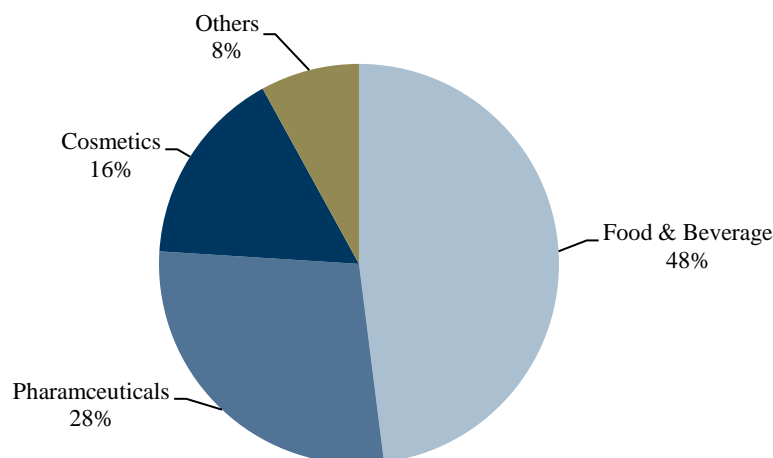
### **Overview of the Parabens Market**

Parabens are esters of p-hydroxybenzoic acid. Parabens refers to a group of preservative ingredients that are utilized for various purposes, such as pharmaceuticals, food products, personal hygiene products, and cosmetics. These products are extremely efficacious in the prevention of growth of yeast, bacteria, and fungi, which result in the wastage of products. As such, they directly enhance the quality of products through extension of shelf life making them hygienic and keep them safe for consumption. The future of the paraben market looks promising with opportunities in the personal care products, cosmetics, healthcare, and others.

**Global Parabens Industry size (USD Mn), 2015-2025F**



**Global Parabens Market Split by Application, 2020 (in %)**



Source: Frost & Sullivan Research & Analysis

### **Parabens – Geographic Analysis**

Asia Pacific is likely to present lucrative growth opportunities to the players in the global parabens market. Regional dominance of Asia Pacific is mainly due to the rising disposable income of the people in the region. Countries like China, India, and South Korea are likely to generate immense demand for cosmetic and personal care products. North America is likely to emerge as another prominent region in the market. However, Europe has banned parabens for use in cosmetics and personal care industry.

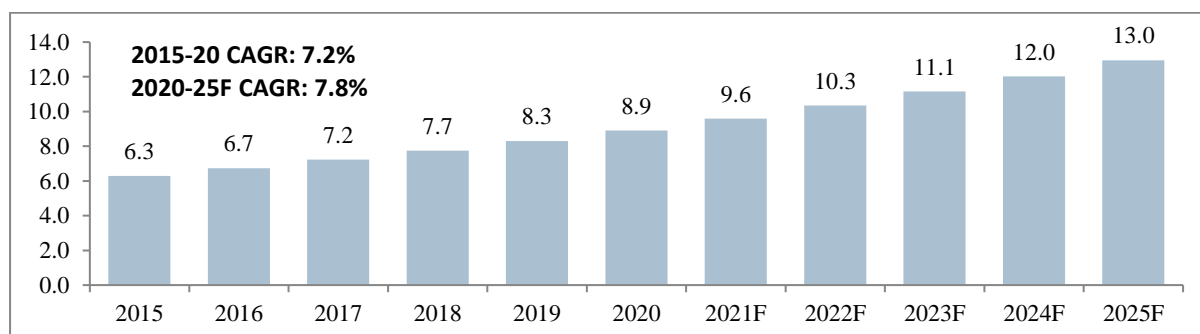
### **Competition Scenario:**

The global Parabens market is highly fragmented, characterized by a small number of manufacturers with varied pricing patterns by end-use application. **Gujarat Organics (Business now acquired by Ami Organics Limited) specializes in Methylparaben and Propylparaben.**

### **Para Cyano Phenol / 4-Cyanophenol**

4-cyanophenol is a member of phenols. 4-Cyanophenol is a precursor for the synthesis of a vasodilator, Levromakalim. Bromination of 4-cyanophenol results in bromoxynil, a commercial herbicide. It can also be used as a component of deep eutectic solvent (DES) mixture. It is also known as p-Cyanophenol, p-Hydroxybenzonitrile, 4-Hydroxybenzoic acid nitrile, among others

**Global 4-Cyanophenol Industry size (USD Mn), 2015-2025F**



The global 4-Cyanophenol market is concentrated with bulk of manufacturers located in China and few in India. **Gujarat Organics (Business now purchased by Ami Organics Limited) with a sales of nearly USD 2 Mn (as**

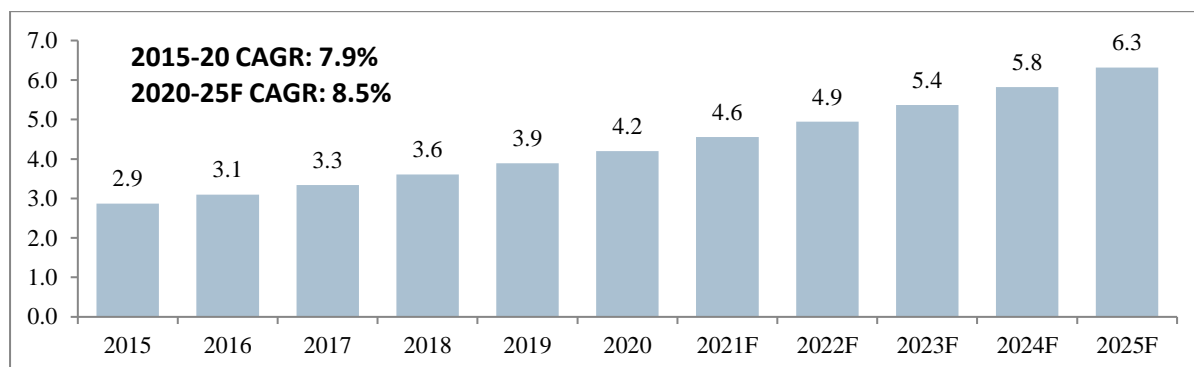
of 31<sup>st</sup> March 2020) account for nearly 20 – 22% share of global market.

Some of the Indian manufacturers include Gujarat Organics (Business now purchased by Ami Organics Limited), Jeevan Chemicals Pvt. Ltd., Saga Chemie Pvt. Ltd., among others

#### **Para Ethoxy Ethyl Benzoate (PEEB) / Ethyl 4-ethoxybenzoate**

Para Ethoxy Ethyl Benzoate (PEEB), 4-Ethoxy Ethyl Benzoate and Ethyl Benzoate are widely used as a catalyst in polypropylene manufacturing.

#### **Global Para Ethoxy Ethyl Benzoate (PEEB) / Ethyl 4-ethoxybenzoate Industry size (USD Mn), 2015-2025F**



The global Para Ethoxy Ethyl Benzoate (PEEB) / Ethyl 4-ethoxybenzoate market is concentrated with bulk of manufacturers located in India and some portion also available in China. **Gujarat Organics (Business now purchased by Ami Organics Limited) with a sales of nearly USD 1.2 – 1.5 Mn (as of 31<sup>st</sup> March 2020) account for nearly 30 – 35% share of global market.**

Some of the Indian manufacturers include Gujarat Organics (Business now purchased by Ami Organics Limited), Sparkvee Fine Chemicals Private Limited, among others.

## OUR BUSINESS

*Some of the information in this section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve numerous risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements and the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page 23 and 269 for a discussion of certain risks that may affect our business, financial condition or results of operations. Unless otherwise indicated, industry and market data used in this section have been derived from the Industry report on “Independent Market Report-Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” dated May 27, 2021 (the “F&S Report”) commissioned by our Company, as well as other industry sources and government publications.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus, on page 210.*

### Overview

We are one of the leading research and development (“**R&D**”) driven manufacturers of specialty chemicals with varied end usage, focussed towards the development and manufacturing of advanced pharmaceutical intermediates (“**Pharma Intermediates**”) for regulated and generic active pharmaceutical ingredients (“**APIs**”) and New Chemical Entities (“**NCE**”) and key starting material for agrochemical and fine chemicals, especially from our recent acquisition of the business of Gujarat Organics Limited (“**GOL**”)(“**Acquisition**”). As per the F&S Report, we are one of the major manufacturers of Pharma Intermediates for certain key APIs, including Dolutegravir, Trazodone, Entacapone, Nintedanib and Rivaroxaban. The Pharma Intermediates which we manufacture, find application in certain high-growth therapeutic areas including anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant, commanding significant market share both in India and globally.

We have developed and commercialised over 450 Pharma Intermediates for APIs across 17 key therapeutic areas since inception and NCE, with a strong focus on R&D across select high-growth high margin therapeutic areas such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant, for use across the global pharmaceutical market. Our Pharma Intermediates used for manufacturing of APIs and NCEs portfolio has expanded from over 425 products as of March 31, 2019, to over 450 products as of March 31, 2021. We believe that our focus on R&D and continuous process improvement has positioned us as a preferred supplier to our customers. Our revenue from operations from our Pharma Intermediates business was 3,011.41 million, ₹2,178.83 million and ₹2,033.91 million respectively, for Fiscals 2021, 2020 and 2019, accounting for 88.41%, 90.92% and 85.28% of our total revenue from operations respectively, for the same periods. The sales turnover for Fiscal 2021 (which is based on verification of form GSTR-1) of the 2 plants acquired as part of the recent Acquisition, was ₹ 1,060.37 million.

In addition, we recently completed the acquisition of two additional manufacturing facilities operated by GOL which has added preservatives (parabens and parabens formulations which have end usage in cosmetics, animal food and personal care industries) and other specialty chemicals (with end usage in *inter alia* the cosmetics, dyes polymers and agrochemicals industries) in our existing product portfolio, which command significant market share globally in the supply of certain paraben derivatives, as per the F&S Report). The Acquisition is in line with our inorganic growth strategy of foraying further into the specialty chemicals sector and we believe that it will enable us to significantly diversify our existing product portfolio, with an objective of attaining inorganic expansion of our business.

As on the date of this Draft Red Herring Prospectus, we have eight process patent applications (in respect of intermediates used in the manufacture of Apixaban, Rivaroxaban, Nintedanib, Vortioxetine, Selexipag, Pimavanserin, Efinaconazole and Eliglustat) which have been published in the Official Journal of the Patent Office in India and three additional pending process patent applications for which applications were made recently, in March 2021. For further details, see “Government and Other Approvals” on page 305.

Along with the domestic market, we supply Pharma Intermediates used for manufacturing of APIs and NCEs to various multi-national pharmaceutical companies which cater to the large and fast-growing markets of Europe, China, Japan, Israel, UK, Latin America and the USA. In the Fiscals 2021, 2020, and 2019, our revenue from

exports contributed 51.57%, 45.89% and 49.61%, respectively of our total revenue from operations. Our revenues from exports have grown at a CAGR of 21.84% between Fiscals 2019 and 2021.

We supply our products to more than 150 customers (including international customers) directly in India and in 25 countries overseas, using a distributorship network in certain cases. Some of our domestic customers include Laurus Labs Limited, Cadila Healthcare Limited and Cipla Limited and some of our key export customers include Organike s.r.l.a Socio Unico, Fermion Oy, Fabbrica Italiana Sintetici S.p.A, Chori Co. Ltd., Medichem S.A. and Midas Pharma GmbH. We have established long standing relationships with some of our key customers. Thirteen of our customers have been customers since the past 10 years and fifty of our customers have been customers since the past five years.

The speciality chemicals that we manufacture, find use in the agrochemicals and fine chemicals industry. We believe that our speciality chemicals portfolio will further be enhanced with the Acquisition. The speciality chemicals manufactured by the facilities which we acquired as part of the Acquisition, find use in cosmetics, preservatives and agrochemicals.

Our revenue from operations from our speciality chemicals business was ₹165.87 million, ₹74.33 million and ₹22.16 million respectively, for Fiscals 2021, 2020 and 2019, accounting for 4.87%, 3.10% and 0.93% of our total revenue from operations respectively, for the same periods. The revenue from operations for Fiscals 2021, 2020 and 2019 does not include revenue of the business of GOL which was recently acquired as the Acquisition was completed on March 31, 2021.

We have three manufacturing units located at (i) GIDC, Sachin, Gujarat, spread over an aggregate land area of 8,250 sq. mtrs. with an installed capacity of 2,460.00 MTPA ("**Sachin Facility**"), (ii) GIDC, Ankleshwar Industrial Estate, Gujarat, spread over an aggregate land area of 10,644 sq. mtrs. with an installed capacity of 1,200.00 MTPA ("**Ankleshwar Facility**"), and (iii) GIDC Industrial Estate, Jhagadia, Gujarat, spread over an aggregate land area of 56,998.35 sq. mtrs. with an installed capacity of 2,400.00 MTPA ("**Jhagadia Facility**" and together with Sachin Facility and Ankleshwar Facility, the "**Manufacturing Facilities**"). Of the above, the Ankleshwar Facility and Jhagadia Facility have been recently acquired by us from GOL. Our Sachin Facility is inspected and approved (EIR issued) by US FDA for manufacture and supply of advanced pharmaceutical intermediates for manufacturing of APIs and NCEs since 2016. The management systems of our Sachin Facility has been certified by the Bureau Veritas Certification Holding SAS – UK Branch to be compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and SA 8000:2014 for designing, manufacturing and dispatching of pharmaceutical intermediates for bulk drugs. Similarly, our Jhagadia and Ankleshwar Facilities, which have been acquired by our Company in the Fiscal 2021 are compliant with ISO 9001:2015 and ISO 14001:2015 standards.

We continually invest in R&D activities to stay ahead and create a differentiating factor and sustainability vis-à-vis our competitors. In addition to the Manufacturing Facilities, we have a dedicated in-house R&D facility located in GIDC, Sachin ("**R&D Facility**") spread over an aggregate built-up area of 2,200 sq. mtrs and is also supported by our analytical development laboratory ("**ADL**") in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates, key starting materials (KSMs) and raw materials. Our R&D facility has been approved and certified by the Department of Scientific and Industrial Research, Ministry of Science and Technology of India ("**DSIR**").

For the Fiscals 2021, 2020 and 2019, our revenue from operations were ₹ 3,406.08 million, ₹ 2,396.43 million and ₹ 2,385.12 million, respectively. Our revenue from operations, on a consolidated basis, grew at a CAGR of 19.50% between the Fiscals 2019 and 2021. For the Fiscals 2021, 2020 and 2019, our restated profit after tax for the year was ₹ 539.99 million, ₹ 274.70 million and ₹ 232.95 million, respectively. Our restated profit after tax, grew at a CAGR of 52.25% between the Fiscals 2019 and 2021.

## **Our Strengths**

***Strong and diversified product portfolio ably supported by strong R&D and process chemistry skills.***

We are one of the leading R&D driven manufacturers of specialty chemicals with varied end usage, focussed towards the development and manufacturing of Pharma Intermediates for regulated and generic APIs and NCE and key starting material for agrochemical and fine chemicals. Based on our existing business strategy of early identification of molecules for development and supply, we have developed and commercialised over 450 Pharma Intermediates for APIs including Dolutegravir, Trazodone, Entacapone, Nintedanib and Rivaroxaban and NCEs

across 17 high growth therapeutic areas since inception, such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant.

Set forth below are details of our market share for our products (intermediates) for certain key APIs in terms of the F&S Report:

S. No.	Pharma Intermediates	API	Market Share as per F&S Report
1.	1-(3-Chloro Phenyl) 4-(3-Chloro Propyl) Piperazine H, 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One, 1-(3-Chloro Phenyl) Piperazine	Trazodone	Ami Organics is the key supplier of these intermediates with a market share of 80-90% in Fiscal 2021. Further Ami Organics is the major manufacturer of key intermediates for the APIs belonging to atypical antidepressants drug class.
2.	Amino Acetaldehyde Dimethyl Acetal, N,N Dimethyl Formamide Dimethyl Acetal, Methyl-4-Methoxy Acetoacetate, 1-(2,2-Dimethoxy Ethyl)-5-Methoxy-6-(Methoxy Carbonyl)-4-Oxo-1, Diacetal-3-Carboxylic Acid	Dolutegravir	For Amino Acetaldehyde Dimethyl Acetal intermediate, Ami organics is the leader and accounts for a global market share of 70-75% in Fiscal 2021.
3.	3,4-Di Hydroxy 5-Nitro Benzyl Dehyde	Entacapone	Ami Organics is the key supplier of 3,4-Di Hydroxy 5-Nitro Benzyl Dehyde with a market share of ~80% in Fiscal 2021.
4.	5,6-Dihydro-3-(4-Morpholinyl)-1-4 (2-Oxo-1-Piperidin), Ethyl Chloro [(4-Methoxyphenyl) Hydrazono] Acetate, 3-Morpholino-1-(4-Nitrophenyl)-5, 6-Dihydropyridin-2, 1-(4-Amino Phenyl)-5, 6-Dihydro-3-(4-Monopholinyl)-2, 2-Piperidone, 1-(4-Aminophenyl)Piperidin-2-One, 1-(4-Iodophenyl) Piperidine-2-One, 3-Morpholine-4-Iodophenyl-5,6-Dihydro-2-Piperidone, 1-4 Iodophenyl-3-Morpholino 5-6 Dihydro Pyrdine, 1-(4-Aminophenyl)-3-(Morpholin-4-Yl)-5-6-Dihydropyr, 5,6-Dihydro-3-(4-Morpholinyl)-1-(4-Nitrophenyl)-2	Apixaban	Ami Organics is one of the larger players in the market contributing to ~50% of the total market in Fiscal 2021 of 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2 ~40% of Ethyl Chloro [(4-Methoxyphenyl) Hydrazono] Acetate.
5.	(S)-(+)-Glycidyl Phthalimide, 4-(4-Aminophenyl) Morpholin-3-One	Rivaroxaban	Ami Organics is one of India's largest producers of its key intermediates Glycidyl Phthalimide and 4-(4-Aminophenyl) Morpholin-3-One.
6.	Triethyl Ortho Benzoate, 6-Methoxy Carbonyl-2-Oxindole, 4-Chloro-3-Nitro Benzoic Acid, N-Methyl-4-Nitroaniline, N-(Methyl-2-(4-Methyl Piperazine-1-Yl)-N-(4-Aminoph), N-Methyl Piperazine	Nintedanib	Ami Organics is a supplier to the originator for key intermediates for producing Nintedanib.
7.	2,4-Dichloropyrimidine, 5-Amino-2-Methyl Benzene Sulphonamide	Pazopanib	Ami Organics is the major manufacturer of one of the key intermediates for Pazopanib API and hold a market share of 86-88% in the global market of its intermediate 2,4-Dichloropyrimidine.
8.	1-(2-(2-Hydroxy Ethoxy)Ethyl) Piperazine, Dibenzo-(1,4)-Thazepine-11-(10H)-One	Quetiapine	Ami Organics is the major manufacturer of the key intermediates for this API.
9.	1-(2,3-Dichloro Phenyl) Piperzine	Aripiprazole	Ami Organics is the major manufacturer of the key intermediates for Aripiprazole API and has customers across the world.
10.	Methyl-5-Acetal-1H-Pyrazole-3-Carboxylate	Darulutamide	Ami Organics is the major manufacturer of one of the key intermediates for this API.
11.	3-(1-Piperazinyl)1,2-Benzisothiazole Hcl	Ziprasidone/ Lurasidone	Ami Organics is the major manufacturer of the key intermediates for these API.
12.	1-Boc Piperazine,2,4 Dimethyl Thiophenol, 1(3-Carboxypyridyl-2)2-Phenyl 4-Methyl Piperazine, 1-Methyl-3-Phenyl Piperazine, 1-(3-Hydroxymethyl-Pyridin-2-Yl)-4-Methyl-2-Pp, 1-(3-Corboxypyrdyl-2)2-Phenyl 4-Methyl Piperazine, Ethyl-5-Amino-1-Benzofuran-2-Carboxylate, 1-(2-Aminocarbonyl Benzofuran-5-Yl)Piperzi	Mirtazapine/ Vortioxetine/ Vilazodone	These are an atypical antidepressant medicine and Ami Organics is the major manufacturer of key intermediates for the APIs belonging to atypical antidepressants drug class.

Our Company has a strong market research-based model wherein it focuses on development of Pharma Intermediates either for molecules which are under clinical trials; or for molecules which have been launched in the patented as well as generic space. We are focused on undertaking dedicated R&D in our existing product lines

and in areas where we believe there is significant growth potential. As a result of our R&D capabilities, we have been able to file eight process innovation patent applications in India applications (in respect of intermediates used in the manufacture of Apixaban, Rivaroxaban, Nintedanib, Vortioxetine, Selexipag, Pimavanserin, Efinaconazole and Eliglustat) which are presently published in the Official Journal of the Patent Office in India and three additional pending patent applications for which applications were made recently, in March 2021. For further details, see “*Government and Other Approvals*” on page 305.

Our R&D centre at Sachin has been approved by DSIR and has a specialised team of 66 people across various sections including R&D, regulatory affairs, quality control, quality assurance and analytical development laboratory. Of our current (as of April 30, 2021) team of 66 R&D professionals, 7 team members hold Ph.Ds. and 39 team members hold a master’s degree. With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities. Strategic investments in R&D has been critical to our success and a differentiating factor vis-à-vis our competitors in becoming one of the key suppliers of pharmaceutical intermediates for API in both domestic and global markets.

In line with our focus on R&D activities, we have also made an investment in our Joint Venture, Ami Onco-Theranostics, LLC, a Delaware, USA entity (“AOL”), which, by way of a transfer of patent usage rights by our JV Partner Photolitec LLC, is entitled to the worldwide usage (except China) of certain patents used in the development of new photosensitizing compounds used to identify and treat cancer through patent and patent applications and additional know-how regarding the same.

#### ***Extensive geographical presence and diversified customer base with long standing relationships***

We cater to domestic and certain multi-national pharmaceutical companies which cater to the large and fast-growing markets of Europe, China, Japan, Israel, UK, Latin America and the USA. In Fiscals 2021, 2020 and 2019, our revenue from exports contributed 51.57%, 45.89% and 49.61%, respectively of our revenue from operations. We supply our products to 25 countries and have long standing relationships with numerous domestic and global pharmaceutical companies. Specifically, we cater extensively to the large geographies of Italy, Finland, France and China, which contributed to 35.47%, 17.67%, 10.55% and 9.45% respectively, of our total revenue from exports for Fiscal 2021.

Diversification of our customer base across the domestic and global markets has limited our exposure to a risk of concentration, enabling us to further diversify and expand our business relationships. Some of our domestic customers includes Laurus Labs Limited and Cipla Limited and our export customers includes Organike s.r.l.a Socio Unico, Fermion Oy, Fabbrica Italiana Sintetici S.p.A, Chori Co. Ltd., Medichem S.A. and Midas Pharma GmbH. We believe that our ability to diversify into new markets, with limited exposure to the risk of dependence on any specific market is a key strength in our business operations.

We have established long standing relationships with our key customers. Our top ten customers for Fiscal 2021 have been our customers for over 3 years and have contributed to 60.99% of our total revenue from operations. Further thirteen of our customers have been customers since the past 10 years and fifty of our customers have been customers since the past five years. Ability to address the varied and stringent client requirements over long periods enables the Company to obtain additional business from existing clients as well as new clients in an industry marked by high entry barriers.

#### ***High entry barriers in the chemicals manufacturing industry in which the Company operates.***

We manufacture and market advanced pharmaceutical intermediates used for manufacturing of APIs and NCEs in select therapeutic areas such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant. This pharmaceutical intermediates business has high entry barriers *inter alia* due to: (a) a long gestation period to be enlisted as a supplier with the customers, particularly with the customers in US and European countries, which requires suppliers to adhere to strict compliance requirements, leading to a high regulatory gestation period; and (b) the involvement of complex chemistries in the manufacturing process, which is difficult to commercialize on a large scale. Our Sachin facility is USFDA inspected and in respect of which we have received the EIR twice, in 2018 and 2020.

Further, APIs and NCEs manufactured by our customers, where our products are used, and where such use has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer resulting in a propensity amongst customers to continue with the same

set of suppliers. Hence, customer acquisition involves a long gestation period, resulting in a very few players being involved in manufacturing of the products.

Further, post 2018, in order to import into, market and sell chemical drugs in the European Union, the drugs need to be registered under the Registration, Evaluation, Authorization and Restriction of Chemicals (“**REACH**”) Regulations. A registration under REACH is primarily a comfort registration for the purposes of ensuring local support point on behalf of the non-EU manufacturer that does not have a local presence in the said country within the European Union. As a consequence of this measure, no new entrants can supply products into the European Union market unless such entrant holds a valid registration under the REACH Regulations. Our Company secured REACH registration for some of its products for the purposes of selling and marketing these products in the European Union with an added advantage of being a ‘preferred supplier’ to its customers in the said territory. We believe that this is a significant entry barrier that works in favour of our Company and places it in a major advantageous position vis-à-vis its competitors in the critical European market wherein our Company intends to cater to the regulated players (i.e., the originators and not generic makers).

Further, given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. We believe that we have, over the years, built strong relationships with our customers, who recognise our technical capabilities and timely deliveries and associate our Company with good and consistent quality products.

Moreover, handling of some of the raw materials that we use such as Thionyl Chloride, Phosphorus Oxychloride and Sodium Methoxide requires a high degree of technical skill and expertise, and operations involving such hazardous chemicals ought to be undertaken only by personnel who are well trained to handle such chemicals. We believe that the level of technical skill and expertise that is essential for handling such chemicals can only be achieved over a period of time, creating a further barrier for new entrants.

#### ***Strong sales and marketing capabilities***

We believe we have strong sales, marketing and distribution capabilities. Since our Company’s incorporation in 2007, we have created a sales division, aligned with our key therapeutic areas and have focused on developing and growing our engagement with specialists and super specialists. Our marketing team utilizes a variety of sales and marketing techniques and programs to promote our products, including promotional materials, speaker programs, key pharmaceutical trade exhibitions such as CPHI and CHEMSPEC, industry publications, advertising and other media besides reliance on a strong market research-based model wherein we focus on development of advanced pharmaceutical intermediates either for molecules which are under clinical trials; or for molecules which have been launched and approved by pharmaceutical regulators worldwide, including the US-FDA.

As a result of its continuous marketing efforts, our Company has received new product requirements from multiple innovators which shall help our Company remain relevant with respect to our reliability for servicing future product requirements. Our Company services its domestic and its export customers through its marketing and sales team in India and by way of certain distributorship arrangements in overseas jurisdictions.

#### ***Experienced and Dedicated Management Team***

We are led by qualified and experienced Board of Directors and key managerial personnel, who we believe have extensive knowledge and understanding of the global generic pharmaceutical business environment and have the expertise and vision to organically scale up our business. Our executive directors have a collective pharmaceutical industry experience of more than 5 decades and almost all of them have been associated with our Company since our formative years.

Our Executive Chairman and Managing Director, Nareshkumar Ramjibhai Patel (who is also our Promoter since inception of our Company), a qualified chemical engineer has been associated with the Company since 2004 and has been responsible for chemical engineering & project implementation and our Whole-time Director, Chetankumar Chhaganlal Vaghasia (who is also our Promoter) has been associated with the Company since its inception and has over 17 years of experience in the chemical industry. Both Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia are ably supported by Virendranath Mishra who was earlier a KMP and now also a Whole-time Director and have been instrumental in formulating and executing the core strategy of our Company. We believe that our stable, senior management team has helped us in successfully implementing our development and operating strategies over the years. We believe that owing to the understanding of the industry trends, demands and market changes of our senior management team, we have been able to adapt and diversify



our operating capabilities and take advantage of market opportunities since the incorporation of the Company.

Apart from the members on our Board, we believe that the knowledge and experience of our senior and middle-level management team members in the pharmaceutical business provides us with a significant competitive advantage as we seek to grow our business. For further details of our key managerial personnel, see “*Our Management*” on page 182.

### ***Consistent financial performance***

We have a track record of operations of over a decade and have a strong balance sheet with stable cash flows. We have experienced sustained growth in various financial indicators including our revenue and PAT, as well as a consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth.

The table below sets forth some of the key financial indicators for the Fiscals 2021, 2020 and 2019:

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from operations (in ₹ million)	3,406.08	2,396.43	2,385.12
EBITDA (in ₹ million)	801.53	410.16	420.80
EBITDA/revenue from operations (in %)	23.53%	17.12%	17.64%
Profit after tax (“PAT”) (in ₹million)	539.99	274.70	232.95
PAT/revenue from operations (in %)	15.85%	11.46%	9.77%
Earnings per share (basic and diluted)	17.14	8.72	7.40
Return on capital employed (%)*	25.25%	22.40%	29.11%
Return on equity (%)**	32.35%	24.57%	28.33%

\*Return on capital employed is calculated as Earnings before interest and taxation (“**EBIT**”)/ Capital employed (Net of cash and bank balances) at the end of the year/ period. EBIT is calculated as EBITDA net of depreciation and amortisation, Capital employed is calculated as Networth + Net Borrowings (Net Borrowings is calculated as total borrowing (including current and non-current borrowing) less cash and cash equivalents at the end of the year as restated).

\*\* Return on equity is calculated as Net Profit after taxes as restated/ Net worth at the end of the year as restated.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet and positive operating cash flows coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business.

For further details on a comparative analysis of our financial position and revenue from operations, see the section titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 269.

## **Our Strategies**

### ***Diversification of product portfolio by strengthening R&D capabilities***

With the objective of early identification and attaining early development, we constantly seek to introduce new product verticals and develop our R&D capabilities to distinguish ourselves from our competitors particularly with a view to enhance our development of advanced pharmaceutical intermediates used for manufacturing of APIs and NCEs, either for molecules under clinical trial or those which have been launched. We have a state of art R&D centre which has been approved by DSIR for developing advanced pharmaceutical intermediates and has specialised team of over 60 people across various teams including R&D, regulatory affairs, quality control, quality assurance and analytical development laboratory. Our total spend on R&D vis-à-vis our turnover has increased from 0.99% in Fiscal 2019 to 1.91% in Fiscal 2021. Of our current (as of April 30, 2021) team of 66 R&D professionals, 7 hold Ph.Ds. and 39 hold a master’s degree.

With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities. Strategic investments in R&D has been critical to our success and a differentiating factor vis-à-vis our competitors in becoming one of the key suppliers of pharmaceutical intermediates for API in both domestic and global markets.

We have also developed and manufacture specialty chemicals for pharmaceutical, cosmetics, food processing,

flavour and fragrance, dyes, polymer, agrochemicals and animal feed industries.

Our Company's focus has been to develop cost effective processes for manufacturing our products and we have filed eight process patent applications in relation to the same and three additional pending process patent applications for which applications were made recently, in March 2021 and has developed significant expertise in chemistry and series of molecules. In addition to production of pharmaceutical intermediates for several API's such as Trazodone, Quetiapine, Mirtazapine, Aripirazole, Naftopidil, Vilazodone etc., our Company also has a presence in heterogenous nitrogen compounds such as Piperazine, Piperidine, Quinolines, Acetonitrile etc. Additionally, we have recently diversified our product portfolio as a result of the acquisition of GOL, by virtue of which we have inducted preservatives and other specialty chemicals in our existing product portfolio, including Methyl paraben, Methyl Salicylate, Para Ethoxy Ethyl Benzoate (PEEB), 5-chloro Salicylic acid, Para Anisic Acid and Propyl Paraben.

We intend to develop, test and manufacture new products meeting regulatory standards subsequent to receipt of requisite regulatory approvals from the relevant authorities in India and overseas and make investments on an ongoing basis in new product launches and research and development for future products. We also intend to invest in development of products which are used in manufacture of APIs being used in formulations whose patents are expiring, which would lead to increase in demand for the Pharma Intermediates for such APIs. Additionally, our recent acquisition of GOL's business has now enabled us to manufacture certain products which are manufactured by us in India like PHBA, Paraben derivatives and Cyano phenol.

***Augmenting scale through organic and inorganic routes in the current geographic markets and expanding into new geographic markets***

As per the F&S Report, the Government of India's proposition to support local manufacturing of many possible raw materials and intermediates especially in the pharmaceutical space will enhance the growth in domestic market and reduce imports, especially from China. With shift in investments from regulated markets like Europe to developing countries like India, domestic production is expected to increase, reducing dependency on imports encouraging the current trend of exports of intermediates to grow substantially. With many global end users looking for alternative to China, India stands as an immediate alternate due to its significant years of experience in handling global regulatory requirements, strong process know how, strength in R&D and low cost. India has good number of well-trained chemists and R&D scientists to support the ever-evolving pharmaceuticals industry.

Our Company supplies advanced pharmaceutical intermediates used for manufacturing of APIs and NCEs to over 150 customers in India and 25 countries overseas and has established itself as a trusted and reliable supplier of advanced pharmaceutical intermediates used for manufacturing of APIs and NCEs, globally.

As on March 31, 2021, the annual installed capacity of our Manufacturing Facilities was 6,060 MTPA. Our Ankleshwar and Jhagadia Facilities (with annual installed capacities of 1,200 MTPA and 2,400 MTPA respectively) were acquired on March 31, 2021, and were accordingly not utilised in Fiscal 2021. We believe that our Company is well positioned to consolidate its existing capacity to capitalise upon future growth that is envisaged. We aim to strengthen our manufacturing capability and achieve better economies of scale by organic and inorganic growth. We have, and continue to, expand our business through organic growth to increase our production capacities and product portfolio, including by way of our recent acquisitions which we believe significantly increases our production capabilities. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels.

In Fiscal 2018, we established a new state-of-the-art fully GMP-compliant manufacturing unit at the Sachin Facility, and we believe that this new and excess capacity will help us capitalize on the growth opportunities. In addition, the acquisition of the Ankleshwar Facility and the Jhagadia Facility, both multipurpose backward integrated facilities in Fiscal 2021, has enabled us to expand our product portfolio to include the manufacture of speciality chemicals including Ortho Anisic Acid, Para Anisic Acid, Para Cyano Phenol, Para Ethoxy Ethyl Benzoate, Para Iso Propoxy Ethyl Benzoate, 5-Chloro Salicylic Acid, 2-Ethoxy Benzoic Acid, Methyl Salicylate, Meta Anisic Acid Propyl and paraben and paraben formations including Propyl Paraben Sodium, Methyl Paraben Sodium, Methyl Paraben, Ethyl Paraben and Propyl Paraben.

Going forward, we may consider acquisition/ investment opportunities to selectively expand in other verticals. We believe such acquisitions will support our long-term strategy, strengthen our competitive position, particularly in acquiring technical expertise and provide greater scale to grow our earnings and increase shareholder value.

***Continue to focus on cost efficiency and improving productivity while employing environmentally friendly processes.***

Our Company strongly believes in conducting its business operations in an environmentally responsible manner. We have set up a Zero Liquid Discharge based in-house effluent plant at our Sachin Unit.

As we operate in a fiercely competitive industry wherein technology plays a critical role for being a relevant market player with no assurance that the technology developed or adopted by our peers and competitors shall not render our products less competitive or attractive, we continuously strive to keep our technology, facilities and machinery current and updated with the latest international standards. Further, we intend to position ourselves as a leading market player in our product verticals, both domestically and internationally by adopting the latest technological changes and be responsive to the constant technological upgradations and emerging standards to ensure cost efficiency and environmentally friendly processes in our business operations. We believe that making timely and cost-effective enhancements and additions to our technological infrastructure shall ensure that we keep up with technological improvements in order to meet our customer requirements.

Sourcing of raw materials also plays an important part in ensuring competitiveness, price flexibility and profitability. We usually do not enter into long-term supply contracts with any of our raw material suppliers. Pricing and volumes are negotiated for each purchase order. The purchase price of our raw materials generally follows market prices. We depend on third-party vendors and suppliers for the purchase of raw materials. We have historically sourced raw materials from multiple vendors in India, China, Europe, Israel and Japan and continue to diversify our procurement base.

We have also developed backward integration capabilities for key raw materials which has helped us in minimising reliance on third party vendors. We also enter into contract manufacturing agreements with vendors to supply raw materials. This allows us to minimise supply failure risk and generate greater negotiating power over our suppliers.

#### ***Diversification of our business by focussing on organic and inorganic growth opportunities***

We intend to pursue strategic acquisitions and partnerships to complement our organic growth and internal expertise. We also intend to develop our internal capacities and production abilities to achieve intended levels of organic growth. We believe that by pursuing strategic acquisitions including the recently concluded acquisition of the business of GOL, we will add to our capabilities and technical expertise or enter into partnerships to strengthen our product infrastructure and overall manufacturing capabilities in the specialty chemicals sector. We are in the process of building our synergies and we believe that such inorganic expansion will help us building synergies going forward. We may in the future, use some of the land area available to us (which currently stands at 15,830.00 sq mtr, in our Jhagadia facility to explore brownfield expansion opportunities.

### **Description of our Business**

#### ***Pharma Intermediates Business***

Our Company has an experience of over 15 years of developing, manufacturing and commercialising advanced pharma intermediates used for manufacturing API and NCE in India and overseas. We have developed and commercialised over 450 Pharma Intermediates across 17 key therapeutic areas since inception and NCE, which are being supplied to over 150 customers in India and 25 countries overseas. Some of the key therapeutic areas catered to by us include anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant.

#### ***Specialty chemicals***

Our Company manufactures specialty chemicals, which are primarily chemical components that find use in agrochemicals and fine chemicals and have, over the years, expanded our commercialised product portfolio. Our products are sold to various domestic and multinational customers for diverse end-user segments including preservatives, cosmetics and agrochemicals.

By way of our recently completed acquisition of GOL, our existing product portfolio viz. specialty chemicals has expanded to also include additional capabilities to manufacture preservatives (parabens and parabens formulations) and other specialty chemicals which are used in the manufacture of cosmetics, dyes, polymers and

agrochemicals.

### Custom manufacturing

Our Company also has the capacity to manufacture advanced pharmaceutical intermediates and other speciality chemicals on a make to order basis. Our R&D team works closely with customers or prospective customers and provide innovative and cost-efficient solutions tailored to meet specific customer requirements.

Set forth below are details of our segmental and product break-up of revenues earned in the last three financial years:

### Revenue Break-up: Overall

Product Category	Revenue from operations (in ₹ million)			Export %		
	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2021	Fiscal 2020	Fiscal 2019
<b>Business of Ami Organics Limited</b>						
- Pharma Intermediates	3,011.41	2,178.83	2,033.91	53.47%	46.52%	56.09%
- Speciality Chemicals	165.87	74.33	22.16	86.30%	100.00%	100.00%
- Others	228.80	143.27	329.05	0.00%	0.00%	0.00%
<b>Total Revenue from Operations</b>	<b>3,406.08</b>	<b>2,396.43</b>	<b>2,385.12</b>	<b>51.57%</b>	<b>45.89%</b>	<b>49.61%</b>

### Break-up of Revenue from Pharma Intermediates – basis end-use API

Revenue from sale of Intermediates used for API	Revenue from operations (in ₹ million)		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
<b>Intermediates for Trazodone</b>			
1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine H	347.80	57.36	116.52
2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One	261.92	207.94	247.67
1-(3-Chloro Phenyl) Piperazine	158.32	102.47	145.16
<b>Total</b>	<b>768.03</b>	<b>367.77</b>	<b>509.35</b>
<b>Intermediates for Dolutegravir</b>			
Amino Acetaldehyde Dimethyl Acetal	597.32	444.87	349.53
N-N Dimethyl Formamide Dimethyl Acetal	129.42	122.67	66.89
Methyl-4-Methoxy Acetoacetate	0.64	22.29	43.91
Other Intermediates	0.00	10.50	0.05
<b>Total</b>	<b>727.38</b>	<b>600.32</b>	<b>460.37</b>
<b>Intermediates for Oxcarbamazepine</b>			
1-Phenyloxindole	201.52	285.66	79.90
<b>Intermediates for Vortioxetine</b>			
1-Boc Piperazine	146.77	48.37	105.01
Other Intermediates	0.04	0.07	0.18
<b>Total</b>	<b>146.80</b>	<b>48.44</b>	<b>105.19</b>
<b>Intermediates for Nintedanib</b>			
Triethyl Ortho Benzoate	43.03	0.61	1.31
Trimethyl Ortho Benzoate	41.95	22.82	60.99
Other Intermediates	50.92	7.21	6.61
<b>Total</b>	<b>135.90</b>	<b>30.65</b>	<b>68.91</b>
<b>Intermediates for Zonisamide / Warfarin</b>			
4-Hydroxy Coumarin	129.15	137.94	94.31
<b>Intermediates for Entacapone</b>			
3,4-Di Hydroxy 5-Nitro Benzyl Dehyde	106.10	145.15	148.57
<b>Intermediates for Darolutamide</b>			
Methyl-5-Acetal-1h-Pyrazole-3-Carboxylate	86.77	28.53	11.17

Revenue from sale of Intermediates used for API	Revenue from operations(in ₹ million)		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
<b>Intermediates for Celecoxib</b>			
4-Sulfonamide-Phenylhydrazine Hydrochloride	84.58	75.56	23.59
<b>Intermediates for Diclofenac Sodium</b>			
2,6 Dichloro N-Phenyl Aniline	83.11	41.67	69.65
Other Intermediates	-	3.78	-
<b>Total</b>	<b>83.11</b>	<b>45.44</b>	<b>69.65</b>
<b>Intermediates for Quetiapine</b>			
1-(2-(2-Hydroxy Ethoxy)Ethyl Piperazine	72.98	70.35	99.96
Dibenzo-(1,4)-Thazepine-11-(10h)-One	6.27	43.03	50.90
<b>Total</b>	<b>79.25</b>	<b>113.38</b>	<b>150.86</b>
<b>Intermediates for Rivaroxaban</b>			
(S)-(+)-Glycidyl Phthalimide	25.93	8.45	8.47
4-(4-Aminophenyl) Morpholin-3-One	9.26	1.12	0.25
<b>Total</b>	<b>35.19</b>	<b>9.57</b>	<b>8.71</b>
<b>Intermediates for Dabigatran</b>			
3-(3-Amino-4-(Methyl-Aminobenzyoyl)Pyridine-2-Yl-Am	23.31	1.65	2.91
Other Intermediates	7.55	0.62	0.82
<b>Total</b>	<b>30.86</b>	<b>2.26</b>	<b>3.73</b>
<b>Intermediates for Pazopanib</b>			
2,4-Dichloropyrimidine	21.35	0.33	14.21
5-Amino-2-Methyl Benzene Sulphonamide	8.02	3.74	0.92
<b>Total</b>	<b>29.38</b>	<b>4.07</b>	<b>15.12</b>
<b>Intermediates for Apixaban</b>			
5,6-Dihydro-3-(4-Morpholinyl)-1-4(2-Oxo-1-Piperidin	8.25	6.61	0.49
Ethyl Chloro [(4-Methoxy Phenyl) Hydrazono] Acetate	8.14	9.15	4.05
3-Morpholino-1-(4-Nitrophenyl)5,6-Dihydropyridin-2	3.82	0.96	0.70
1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2	3.34	0.85	0.18
2-Piperidone	2.60	3.12	1.00
Other Intermediates	0.45	1.54	2.27
<b>Total</b>	<b>26.59</b>	<b>22.21</b>	<b>8.69</b>

Our products are used in preparation of APIs, which are a raw material for the finished pharmaceutical product.

Some of the leading APIs for which we supply Pharma Intermediates are:

S. No.	API	Brief Description (Source – F&S Report)
1	Trazodone	Trazodone is one of the key API in Antidepressant drugs, and the API is manufactured using intermediates such as 1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine H, 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One, among others. Ami Organics is the key supplier of these intermediates with a market share of 80-90% in FY21. Further Ami Organics is the major manufacturer of key intermediates for the APIs belonging to Atypical antidepressants drug class.
2	Dolutegravir	It is an antiretroviral medication used, together with other medication, to treat HIV/AIDS and may also be used, as part of post exposure prophylaxis, to prevent HIV infection following potential exposure. Dolutegravir, which is one of the key API used for manufacturing ARV drugs, is manufactured using Amino Acetaldehyde Dimethyl Acetal intermediate. Ami organics is the leader in this intermediate category and accounts for a global market share of 70-75% in FY21.
3	Entacapone	It is a selective and reversible inhibitor of the enzyme catechol-O-methyltransferase (COMT) and is commonly used for treatment of Parkinson's disease. Entacapone which is one of the key API in Parkinson treatment, this API is manufactured using intermediates such as 3,4-Di Hydroxy 5-Nitro Benzyl Dehyde and Ami Organics is the key supplier of these intermediates with a market share of ~80% in FY21.
4	Apixaban	Apixaban is an anticoagulant medication used to treat and prevent blood clots and to prevent stroke in people with non-valvular atrial fibrillation. Ami Organics is one of the larger players in the market contributing to ~50% of the total market in FY21 for its intermediate 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2 and market share of around ~40% of Ethyl Chloro [(4- Methoxyphenyl) Hydrazono] Acetate.
5	Rivaroxaban	Rivaroxaban is an anticoagulant medication (blood thinner) used to treat and prevent blood clots. Specifically, it is used to treat deep vein thrombosis and pulmonary emboli and prevent blood clots in atrial fibrillation and following hip or knee surgery. Ami Organics is one of India's largest producers of its key intermediates Glycidyl Phthalimide and 4-(4-Aminophenyl) Morpholin-3-One.
6	Nintedanib	It used to treat idiopathic pulmonary fibrosis, also Nintedanib is been used to treat Covid in many countries. It has the potential to block the development of lung fibrosis. Ami Organics is a supplier to the originator for key intermediates for producing Nintedanib.
7	Pazopanib	Pazopanib is a Tyrosine Kinase Inhibitors, used to treat kidney cancer, Ami Organics is the major manufacturer of one of the key intermediates for Pazopanib API and hold a market share of 86-88% in the global market of its intermediate 2,4-Dichloropyrimidine.
8	Quetiapine	It is an atypical antipsychotic used for the treatment of schizophrenia. Ami Organics is the major manufacturer of the key intermediates for this API.
9	Aripiprazole	Aripiprazole is indicated for the treatment of schizophrenia and is also used as maintenance therapy for this disease. Ami Organics is the major manufacturer of the key intermediates for Aripiprazole API and has customers across the world.
10	Darolutamide	It is a second- or third-generation nonsteroidal antiandrogen (NSAA). It is an antiandrogen medication which is used in the treatment of non-metastatic castration-resistant prostate cancer in men. Ami Organics is the major manufacturer of one of the key intermediates for this API.
11	Ziprasidone/ Lurasidone	These are an atypical antipsychotic primarily used for the treatment of schizophrenia, Ami Organics is the major manufacturer of the key intermediates for these API.
12	Mirtazapine/ Vortioxetine/ Vilazodone	It is an atypical antidepressant medicine. Ami Organics is the major manufacturer of key intermediates for the APIs belonging to Atypical antidepressants drug class.

Some of the leading APIs and our market share for which we supply Pharma Intermediates are as below:

S. No.	API	Intermediates	Market share as per F&S Report	Therapeutic Segment
1	Trazodone	1-(3-Chloro Phenyl) 4-(3-Chloro Propyl) Piperazine H, 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One, 1-(3-Chloro Phenyl) Piperazine	Ami Organics is the key supplier of these intermediates with a market share of 80-90% in FY21. Further Ami Organics is the major manufacturer of key intermediates for the APIs belonging to Atypical antidepressants drug class.	Antidepressant
2	Dolutegravir	Amino Acetaldehyde Dimethyl Acetal, N-N Dimethyl Formamide Dimethyl Acetal, Methyl-4-Methoxy Acetoacetate, 1-(2,2-Dimethoxy Ethyl)-5-Methoxy-6-(Methoxy Carbonyl)-4-Oxo-1, Diacetal-3-Carboxylic Acid	For Amino Acetaldehyde Dimethyl Acetal intermediate, Ami organics is the leader and accounts for a global market share of 70-75% in FY21.	Antiretroviral
3	Entacapone	3,4-Di Hydroxy 5-Nitro Benzyl Dehyde	Ami Organics is the key supplier of 3,4-Di Hydroxy 5-Nitro Benzyl Dehyde with a market share of ~80% in FY21.	Parkinson's Disease
4	Apixaban	5,6-Dihydro-3-(4-Morpholinyl)-1-4 (2-Oxo-1-Piperidin), Ethyl Chloro [(4-Methoxyphenyl) Hydrazono] Acetate, 3-Morpholino-1-(4-Nitrophenyl)5, 6-Dihydropyridin-2, 1-(4-Amino Phenyl)-5, 6-Dihydro-3-(4-Monopholinyl)-2, 2-Piperidone, 1-(4-Aminophenyl)Piperidin-2-One, 1-(4-Iodophenyl) Piperidine-2-One, 3-Morpholine-4-Iodophenyl-5,6-Dihydro-2-Piperidone, 1-4 Iodophenyl-3-Morpholino 5-6 Dihydro Pyridine, 1-(4-Aminophenyl)-3-(Morpholin-4-Yl)-5-6-Dihydropyr, 5,6-Dihydro-3-(4-Morpholinyl)-1-(4-Nitrophenyl)-2	Ami Organics is one of the larger players in the market contributing to ~50% of the total market in FY21 of 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2 ~40% of Ethyl Chloro [(4- Methoxyphenyl) Hydrazono] Acetate.	Anticoagulant
5	Rivaroxaban	(S)-(+)-Glycidyl Phthalimide, 4-(4-Aminophenyl) Morpholin-3-One	Ami Organics is one of India's largest producers of its key intermediates Glycidyl Phthalimide and 4-(4-Aminophenyl) Morpholin-3-One.	Anticoagulant
6	Nintedanib	Triethyl Ortho Benzoate, 6-Methoxy Carbonyl-2-Oxindole, 4-Chloro-3-Nitro Benzoic Acid, N-Methyl-4-Nitroaniline, N-(Methyl-2-(4-Methyl Piperazine-1-Yl)-N-(4-Aminoph), N-Methyl Piperazine	Ami Organics is a supplier to the originator for key intermediates for producing Nintedanib.	Anticancer
7	Pazopanib	2,4-Dichloropyrimidine, 5-Amino-2-Methyl Benzene Sulphonamide	Ami Organics is the major manufacturer of one of the key	Anticancer

S. No.	API	Intermediates	Market share as per F&S Report	Therapeutic Segment
			intermediates for Pazopanib API and hold a market share of 86–88% in the global market of its intermediate 2,4-Dichloropyrimidine.	
8	Quetiapine	1-(2-(2-Hydroxy Ethoxy)Ethyl Piperazine, Dibenzo-(1,4)-Thazepine-11-(10H)-One	Ami Organics is the major manufacturer of the key intermediates for this API.	Antipsychotic
9	Aripiprazole	1-(2,3-Dichloro Phenyl) Piperzine	Ami Organics is the major manufacturer of the key intermediates for Aripiprazole API and has customers across the world.	Antipsychotic
10	Darolutamide	Methyl-5-Acetal-1H-Pyrazole-3-Carboxylate	Ami Organics is the major manufacturer of one of the key intermediates for this API.	Antiandrogen
11	Ziprasidone/ Lurasidone	3-(1-Piperazinyl)1,2-Benzisothiazole Hcl	Ami Organics is the major manufacturer of the key intermediates for these API.	Antipsychotic
12	Mirtazapine/ Vortioxetine/ Vilazodone	1-Boc Piperazine, 2,4 Dimethyl Thiophenol, 1-(3-Carboxypyridyl-2)-Phenyl 4-Methyl Piperazine, 1-Methyl-3-Phenyl Piperazine, 1-(3-Hydroxymethyl-Pyridin-2-Yl)-4-Methyl-2-Pp, 1-(3-Corboxypyridyl-2)-Phenyl 4-Methyl Piperazine, Ethyl-5-Amino-1-Benzofuran-2-Carboxylate, 1-(2-Aminocarbonyl Benzofuran-5-Yl)Piperzi	These are an atypical antidepressant medicine and Ami Organics is the major manufacturer of key intermediates for the APIs belonging to atypical antidepressants drug class.	Antidepressant

## Manufacturing Facilities

We have three manufacturing units located in Gujarat at (i) GIDC, Sachin, Surat, Gujarat (ii) GIDC, Ankleshwar Industrial Estate, Ankleshwar, Gujarat, and (iii) GIDC Industrial Estate, Jhagadia, Gujarat. Our manufacturing units at Ankleshwar and Jhagadia have been acquired by us from GOL as part of the Acquisition.

### Sachin Facility

Our Sachin Facility consists of two production blocks which includes 13 separate product lines, 40 reactors, 17 dryers, a zero liquid discharge based effluent plant; a soil biological treatment system (“**SBT System**”) based on bioconversion process wherein fundamental action of nature namely, respiration, mineral weathering and photosynthesis are brought about in a controlled media containing selected micro and macro-organisms; an RO plant with a pre-treatment section consisting of pressure sand filter, activated carbon filter and micron filters followed by chemical dosing system such as Antiscalent, SMBS and HCL; and forced circulation type multiple effect evaporator (“**MEE**”) with steam stripper of 60 KLD capacity consisting of steam stripper for removal of low volatiles from the concentrated waste water streams which is segregated at source which enables us to remain competitive in terms of the quality of our products.

Our existing infrastructure at our Sachin Facility enables us to carry out a range of chemical reactions required for production of advance pharma intermediates including acetal formation, arylation, acylation, alkylation, de-alkylation cleavage, condensation, de-carboxylation, esterification, cyclization, oxidation, Schiff base reaction, aldol condensation, piner synthesis, among others.

Sachin Facility has been approved by US FDA for manufacture and supply of advanced pharmaceutical intermediates for APIs since 2016. The management systems of Sachin Facility have been certified by the Bureau Veritas Certification Holding SAS – UK Branch to be compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and SA 8000:2014 for designing, manufacturing and dispatching of pharmaceutical intermediates for bulk drugs.

### Ankleshwar Facility

We have acquired the Ankleshwar Facility from Gujarat Organics Limited pursuant to the business transfer Agreement dated March 8, 2021 (“**Ankleshwar BTA**”). The Ankleshwar Facility is spread over 10,644 sq. mts., with an installed capacity of 1,200.00 MTPA. Equipped with 49 stainless steel and glass lined reactors with a dedicated line for carboxylation, esterification and etherification, this unit is equipped to provide custom synthesis and manufacturing services.

The products manufactured at the Ankleshwar Facility include 5-Chloro Salicylic acid, electron donors, Anisic

acid, Paracynophenol and other specialty chemicals. The Ankleshwar Facility is compliant with ISO 9001:2015, ISO 14001:2015.

### ***Jhagadia Facility***

We have acquired the Jhagadia Facility from Gujarat Organics Limited pursuant to the business transfer Agreement dated March 13, 2021 (“**Jhagadia BTA**”). The Jhagadia Facility is spread over 56,998.35 sq. mts., with an annual installed capacity of 2,400.00 MTPA. The Jhagadia Facility is a multipurpose facility, consisting of 26 stainless steel and glass lined reactors and equipped with fully automated and dedicated lines for production of paraben, PHBA and other specialty chemicals. The Jhagadia Facility is equipped with state of art effluent treatment plant equipped with zero liquid discharge solutions including multiple effect evaporator, reverse osmosis for purification of waste and bioreactors for treatment of effluents and removal of organic load. Further, the Jhagadia Facility has 15, 830 square meter free land available for future expansion. The Jhagadia Facility is compliant with ISO 9001:2015, ISO 14001:2015.

### ***R&D Facility***

Our R&D facility located in Sachin, is spread over an aggregate built-up area of 2,200 sq. mtrs. and is also supported by an analytical development laboratory (“**ADL**”) in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates, key starting materials (KSMs) and raw materials. This R&D facility employs equipment and systems such as modern fume hood systems, autoclave, vacuum tray dryers, high vacuum distillation assembly, large flasks & glass reactor assembly, and Analytical Development Laboratory (ADL) is supported with analytical instruments like NMR, LCMass, GC/MS, HPLCs, GCs, UV spectrophotometer, ultrasonic bath, FTIR, auto-titrator, photo stability & stability chambers, digital polarimeter etc.

### ***Warehouse***

For the purposes of supporting the production facility subsequent to the capacity expansion, our Company has built a 1050 MT warehouse facility for storage of raw materials and packing materials which is spread over 2,812 sq. mtrs in the vicinity of our Sachin facility in compliance with the standards applicable to the companies engaged in pharmaceutical and good market practices and which also comprises of a quality control area for cold storage of raw materials. Considering that the storage of chemicals is significantly critical wherein materials with incompatible chemical properties should not be stored next to each other to avoid any reactive accident, the said risk is covered with allocation of dedicated storage space for water reactive chemicals and alkaline and acidic chemicals in the warehouse.

### **Capacity and Capacity Utilization**

As on the date of this DRHP we have three manufacturing facilities and our total annual installed capacity is 6,060.00 MTPA. Our Sachin Facility has an annual installed capacity of 2,460.00 MTPA.

Our installed capacity and capacity utilisation of our products at the Sachin Facility for the last three Fiscals is set out in the table below:

<b>Particulars</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>	<b>Fiscal 2019</b>
Installed capacity (MTPA)	2,460 <sup>(1)</sup>	2,109 <sup>(2)</sup>	2,706
Available Capacity (MTPA)	2,255 <sup>(1)</sup>	2,557 <sup>(2)</sup>	2,706
Production (MT) <sup>(3)</sup>	1,425	1,164	962
<b>Capacity Utilisation (%)<sup>(4)</sup></b>	<b>63%</b>	<b>46%</b>	<b>36%</b>

<sup>(1)</sup>In Fiscal 2021 one new unit with capacity of 351MTPA were installed on November 1, 2020.

<sup>(2)</sup>In Fiscal 2020 one unit with capacity of 597 MTPA were demolished on December 31, 2019.

<sup>(3)</sup>Production includes products manufactured at Company’s plant and job work/contract manufacturing units.

<sup>(4)</sup>Capacity utilization (%) has been calculated on the basis of production in the relevant period divided by the available capacity during the relevant Fiscal year.

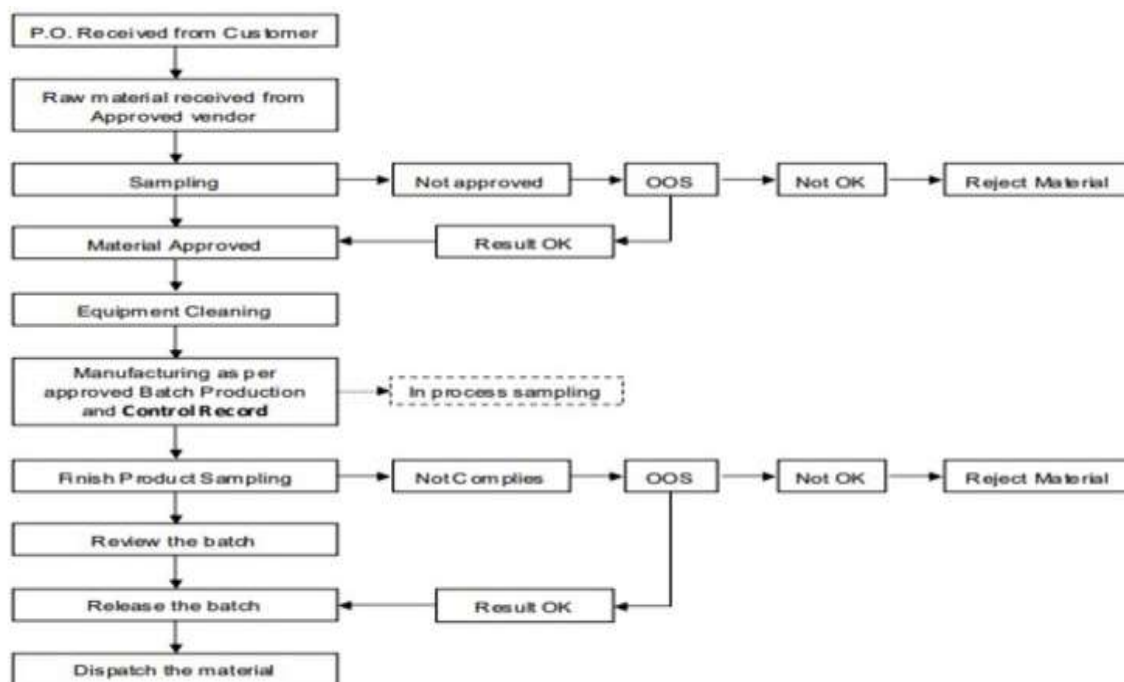
Our Ankleshwar Facility and Jhagadia Facility have an annual installed capacity to manufacture 1,200.00 MTPA and 2,400.00 MTPA, respectively. As we acquired the Ankleshwar Facility and Jhagadia Facility in March 2021, our Company has not utilised the facility for manufacturing any of our products in the Fiscal 2021.



## Utilities

Our manufacturing operations require a significant amount of power and water. Our power requirements are fulfilled through electricity connection from the state electricity board for a maximum contracted demand of 1,000 KvAH at Sachin facility, 1,000 KvAH at Ankleshwar Facility and 1,000 KvAH at Jhagadia Facility, and the state water board provides potable water for operating our Manufacturing Facilities. We have entered into an arrangement with Gujarat Gas Company Limited for supply of natural gas and also have an in-house captive power generation plant.

## Order processing and dispatch process



The above chart describes the process flow that we employ from the stage of receiving a purchase order from a customer till the dispatch of the product.

The process typically commences with our Company receiving the purchase order(s) from the customer(s) providing for, *inter-alia*, the product description, quantity, rate and the delivery address basis which our Company secures the raw materials from the approved vendors to manufacture the final product(s). The raw materials received are then subjected to an in-house sampling exercise and are evaluated on the basis of out-of-specification (“OOS”) test results which include all the test results that fall outside the specifications or acceptance criteria established in drug applications or by the manufacturer. In case the raw materials do not qualify to be suitable for the product specification(s) received by our Company under the purchase orders, the same are rejected.

The manufacturing equipment is then cleansed for production and subsequently, the approved raw materials are processed for manufacturing as per the approved batch production and control record with in-process product sampling being done in parallel. This is followed by the final product sampling exercise and the products are evaluated on the basis of OOS test results. In case the final product(s) do not qualify to be suitable for the product specification(s) received by our Company under the purchase orders, the same are rejected. Thereafter, the approved product(s) are reviewed, and the batch of product is released finally leading to dispatch of the product(s) to the customer.

## Research and Development

We are focused on undertaking dedicated R&D in areas, which we believe, have significant growth potential. We continually invest in R&D activities to stay ahead and create a differentiating factor and sustainability vis-à-vis our competitors. We believe that our systematic approach to selection of molecules, which involves evaluation of technical, and commercial feasibility data, and customer feedback has resulted in the growth of our business

operations. Our ADL support R&D in the development activities, freezing specifications and developing the method of analysis for finished products, in process intermediates and key starting raw materials. As part of our recognition towards R&D, we were felicitated at the 16th FGI Awards for Excellence (Research in Science & Technology) in 2021.

We have a dedicated in-house R&D facility located at GIDC Sachin and is also supported by the ADL equipped with in-house NMR, LCMass, GCMAss, Stability Chamber etc., in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates, key starting materials (KSMs) and raw materials. Our R&D facility has been approved and certified by the DSIR.

Our Company is mainly focussed on development of advanced pharmaceutical intermediates either for molecules (i) under clinical trials; or (ii) launched and approved. Towards the end of catering to this strategy, our Company has divided its research team in the following four groups:

- (i) **Group 1:** Group 1 focusses on developing molecule for NCE which are used in clinical trials. The requirement for such molecules is received from the customers of our Company who ensure guaranteed business to our Company in case of successful launching of the NCE and provide a long-term advantage to our business operations.
- (ii) **Group 2:** Group 2 focusses on working for the products already launched and approved and ensuring the preparedness of our Company to serve the generic market and generic developers. This group works towards securing future business opportunities for use of the intermediates of our Company at the time of expiration of the patent rights.
- (iii) **Group 3:** Group 3 works on the enquiries other than the focus areas of Group 1 and Group 2 and remains available for any trouble shooting from the production team in addition to catering to the ongoing requirements from other research companies.
- (iv) **Group 4:** Group 4 focusses on the improvement of the processes developed by Group 1, Group 2 and Group 3 on an ongoing basis in addition to supporting the quality assurance department of our Company in relation to preparation of impurity and other samples for finalization of the intermediate master file which is submitted to the customer for preparation and filing of the DMF of their API.

In line with our focus on R&D activities, we have also made an investment in our Joint Venture, Ami Onco-Therapeutics, LLC, a Delaware, USA entity (“AOL”), which, by way of a transfer of patent usage rights by our JV Partner Photolitec LLC, is entitled to the worldwide usage (except China) of certain patents used in the development of new photosensitizing compounds used to identify and treat cancer through patent and patent applications and additional know-how regarding the same.

Our research team consists of a dedicated team of 66 experienced junior and senior scientists in QC, QA, ADL and R&D laboratories (“**R&D Team**”) and is well supported by equipment and facilities required for high quality research and scale-up tasks.

In addition, as of March 31, 2021, our Company has eight process innovation patent applications in India applications (in respect of intermediates used in the manufacture of Apixaban, Rivaroxaban, Nintedanib, Vortioxetine, Selexipag, Pimavanserin, Efinaconazole and Eliglustat) which are presently published in the Official Journal of the Patent Office in India and three additional pending patent applications for which applications were made recently, in March 2021 and May 2021.

We believe that our R&D has led, and will continue to lead to new, innovative processes that can increase the efficiencies of production including developing cost-effective manufacturing processes, as well as address opportunities that we have identified in the global market for our businesses. We have incurred an expenditure of ₹ 64.99 million, ₹ 85.94 million and ₹ 23.63 million towards R&D activities during the Fiscals 2021, 2020 and 2019 representing 1.91%, 3.59%, and 0.99%, our revenue from operations in such periods, respectively.

### **Marketing and Selling Arrangements**

While our products are sold directly to companies engaged in manufacturing of APIs and finished pharmaceutical product, in certain cases we utilize the services of distributors and selling and marketing agents for our overseas operations, to whom we pay a selling commission for their services. As of April 30, 2021, our sales and marketing team comprised 7 personnel for sale of our products to pharmaceutical and other companies. We also participate

in international exhibitions to promote the sales of our products.

Ordinarily, in relation to our business, we enter into the following type of contracts:

- (i) **Distributor Agreements/ Supply Contracts:** Our Company enters into distributor agreements with manufacturers of active pharmaceutical ingredients or intermediates for pharmaceutical synthesis for the purposes of marketing and distribution of our products in a specified territory, both on an exclusive and non-exclusive basis.
- (ii) **Agreement to Supply Products to Final Customers:** Our Company enters into supply contracts with agents on an exclusive and *non-exclusive* basis to supply the Products of the Company to the final customers.

### Contract Manufacturing Arrangements

Our Company enters into contract manufacturing arrangements and confidentiality agreements with contract manufacturers on a non-exclusive basis to convert the basic raw materials supplied by our Company into next level of intermediates and returns it to our Company which ultimately serves as raw material for us to manufacture of the final product.

### Quality Control and Quality Assurance

We believe we have adopted uniform manufacturing standards across all our products to achieve standardized quality for all our markets. The provision of high-quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with our customers. We are committed to providing high quality products to our customers and to meet this commitment, we have implemented current good manufacturing practices across our manufacturing sites, encompassing all areas of business processes right from supply chain to product delivery. This enables us to maintain consistent quality, efficiency and product safety.

**Quality certifications received by our company includes:**

#### *Sachin Facility*

Certification
Standard ISO 9001:2015 issued by Bureau Veritas Certification Holding SAS for Design, Manufacture and Dispatch of Pharmaceutical Intermediates for Bulk Drugs
Standard ISO 14001:2015 issued by Bureau Veritas Certification Holding SAS for Design, Manufacture and Dispatch of Pharmaceutical Intermediates for Bulk Drugs
Standard ISO 45001:2018 issued by Bureau Veritas Certification Holding SAS for Design, Manufacture and Dispatch of Pharmaceutical Intermediates for Bulk Drugs
Standard SA 8000:2014 issued by Bureau Veritas Certification Holding SAS for Design, Manufacture and Dispatch of Pharmaceutical Intermediates for Bulk Drugs
Certification of Registration and Certificate of Recognition of in-house R&D unit(s) issued by the Department of Scientific and Industrial Research, Ministry of Science and Technology, GoI
Goods Manufacturing Practices (GMP) – for Active Pharmaceutical Ingredients (ICHQ7 & Q9) for the manufacture and dispatch of intermediates for pharmaceutical applications issued by SGS India Private Limited
USFDA inspection completed and EIR received in 2018 and 2020 respectively

#### *Ankleshwar Facility*

Certification
Standard ISO 9001:2015 issued by Bureau Veritas Certification Holding SAS and Bureau Veritas (India) Private Limited for Development, Manufacture & Dispatch of Bulk Drugs Intermediates And Fine Chemicals
Standard ISO 14001:2015 issued by Bureau Veritas Certification Holding SAS and Bureau Veritas (India) Private Limited for Development, Manufacture & Dispatch of Bulk Drugs Intermediates And Fine Chemicals
Star-K Kosher Certification issued by the Director of Supervision, Star-K Kosher in respect of certain of our products
Registration with Jamiat Ulama Halal Foundation India in respect of certain halal certified products

#### *Jhagadia Facility*

<b>Certification</b>
Standard ISO 9001:2015 issued by Bureau Veritas (India) Private Limited for Manufacture & Dispatch Of Bulk Drugs Intermediates And Fine Chemicals
Standard ISO 14001:2015 issued Bureau Veritas (India) Private Limited for Manufacture & Dispatch Of Bulk Drugs Intermediates And Fine Chemicals
Star-K Kosher Certification issued by the Director of Supervision, Star-K Kosher in respect of certain of our products
Registration with Jamiat Ulama Halal Foundation India in respect of certain halal certified products

## Our Customers

Our customer base currently comprises of number of international customers including Organike s.r.l. a socio unico, Fermion Oy, Fabbbrica Italiana Sintetici S.p.A, Medichem S.A., Chori Co. Limited, Midas Pharma GmbH, Fabbbrica Italiana Sintetici S.p.A, and domestic customers including Laurus Labs Limited, Cipla Limited and Cadila Healthcare Limited.

Besides exclusive supply agreements, our Company enters into technical agreements quality agreements and confidentiality agreements with its customers outlining the responsibilities of the parties with respect to the quality assurance of the products manufactured and/or supplied by our Company to its customers.

The table below sets out the revenues earned by the Company from its top 5 customers for Fiscals 2021, 2020 and 2019:

(in ₹ million, % values are to the revenue from operations)

Fiscal 2021			Fiscal 2020			Fiscal 2019		
Name of Customer	Sales Value	%	Name of Customer	Sales Value	%	Name of Customer	Sales Value	%
Organike s.r.l. a socio unico	550.78	16.17	Organike s.r.l. a socio unico	346.42	14.46	Organike s.r.l. a socio unico	473.72	19.86
Fermion Oy	310.38	9.11	Fermion Oy	236.27	9.86	Fermion Oy	193.10	8.10
A manufacturer of antiretroviral drugs, cardiovascular thoracic surgery & gastrointestinal APIs	264.35	7.76	A company involved in the manufacture and custom synthesis of generic APIs and nutraceutical ingredients.	196.04	8.18	Mylan Laboratories Limited	182.51	7.65
Laurus Labs Limited	223.98	6.58	A well known manufacturer of generic and active APIs, including in cardiovascular products	166.32	6.94	A well-known producer of APIs	115.74	4.85
A chemicals manufacturer and well known producer of agricultural chemicals	163.95	4.81	Medichem S.A.	124.00	5.17	One of the largest producer of anti-retroviral drugs.	103.64	4.35
<b>Total</b>	<b>1,513.44</b>	<b>44.43</b>		<b>1,069.05</b>	<b>44.61</b>		<b>1068.71</b>	<b>44.81</b>

We have long-standing relationships with our key customers. Thirteen of our customers have been customers since the past 10 years and fifty of our customers have been customers since the past five years.

Our revenue from operations for the Fiscals 2021, 2020 and 2019 from domestic and international sales is as follows:

(in ₹ million other than percentages)

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Sales of raw materials/ finished goods/ traded goods:						
Export Sales	1,756.54	51.57	1,099.69	45.89	1,183.33	49.61
Domestic Sales	1,605.55	47.13	1,258.99	52.54	1,154.13	48.39
Other operating revenues:						
Duty drawback and other export incentives	43.99	1.29	37.75	1.58	47.66	2.00
<b>Total</b>	<b>3,406.08</b>	<b>100.00</b>	<b>2,396.43</b>	<b>100.00</b>	<b>2,385.12</b>	<b>100.00</b>

We conduct our business pursuant to term agreements as well as on a purchase order basis. Our business agreements typically include certain quality assurance requirements. See “*Risk Factors – Our technical agreements with various customers have various quality assurance compliances to be met by us. There can be no assurance that our Company shall be in compliance with the covenants under the technical agreements to the satisfaction of our customers or at all.*” on page 34.

We also conduct sale of our products on a purchase order basis where the terms of the sale are determined by mutual agreement and depend on factors such as volumes, competition and market share of the product. For the Fiscals 2021, 2020 and 2019, our three largest customers contributed 33.04%, 26.76% and 28.66%, respectively, of our revenue from operations.

#### Raw Materials

The key raw materials that we use for our manufacturing operations include Chloroacetaldehyde Dimethylacetal, Semicarbazide Hcl, Meta Chloro Aniline, 1-Bromo 3-Chloro Propane and Bis-(2-Chloethyl)Amine Hcl. We identify and approve multiple vendors to source our key raw materials and we place purchase orders with them from time to time. We currently source 73.22% of our total raw materials from domestic vendors, 19.39 % from China and the remaining from other overseas sources for Fiscal 2021.

Our Company spent ₹1,905.27 million, ₹1,424.82 million and ₹1,599.10 million towards purchase of raw materials during the Fiscals 2021, 2020 and 2019 comprising of 55.94%, 59.46% and 67.05% of our revenue from operations for such periods, respectively.

#### Awards and Recognition

Our Company has received the following awards:




Calendar Year	Award
2005	Gujarat Gas Safety Award in recognition for developing and implementing effective HSE Management System by the Gujarat Gas Company Limited.
2017	“Second Award” instituted by CHEMEXCIL Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Ministry of Commerce and Industry, Government of India under the category of Panel-II: INORGANIC, ORGANIC AND AGRO CHEMICALS – (SSM) for outstanding performance for the year 2016-17.
2018	Token of Appreciation for being the Best Recruiter at the Industry-Academic Meet 2018 organized by the Uka Tarsadia University, Bardoli.
2018	Awarded a certificate of recognition with the status of Two-Star Export House in accordance with the provisions of the Foreign Trade Policy 2015-2020 by the Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India
2018	“Business Innovation Award” under Dare to Dream Awards by SAP
2018	Get Authorized Economic Operator AEO-T1 Certificates from Central Board of Excise and Custom under WCO’s safe framework of standards
2021	Award for Excellence in the Category of Research in Science & Technology by Federation of Gujarat

<i>Calendar Year</i>	<i>Award</i>
	Industries
2021	Fairdeal Filaments Awards for Outstanding Entrepreneur in MSME Segment by the Southern Gujarat Chamber of Commerce & Industry


## Intellectual Property

### Trademarks

Our Company has obtained registrations in respect of the following trademarks:

Trademark Application Number	Class	Date of Application	Trademark Type	User Detail	Proprietor Name	Goods and Service Details
3601894	1	July 29, 2017	WORD 	August 24, 2004	Ami Organics Private Limited	Chemicals and Intermediates for use in the medicinal, pharmaceuticals and Chemical Preparations
3601896	1	July 29, 2017	LOGO 	December 10, 2004	Ami Organics Private Limited	Chemicals and Intermediates for use in the medicinal, pharmaceuticals and Chemical Preparations
3601897	5	July 29, 2017	LOGO 	December 10, 2004	Ami Organics Private Limited	Medicinal and Pharmaceutical Preparations and Substances

Further, the following trademark has been accepted by the trademarks registry and advertised:

Trademark Application Number	Class	Date of Application	Trademark Type	User Detail	Proprietor Name	Goods and Service Details	Status
3601895	5	July 29, 2017	WORD 	August 24, 2004	Ami Organics Private Limited	Medicinal and Pharmaceutical Preparations and Substances	Accepted and Advertised on January 25, 2021

### Patents

The following application for patents have been made by our company, of which eight patent applications have been published in the Official Journal of the Patent Office in India (“**Journal**”):

Particulars	Patent Application Number	Date of filing of application	Date of publication in the Journal
Process for preparation of 6-Methoxycarbonyl-2-Oxindole	201721033571 A	September 21, 2017	July 12, 2019
Process for preparation of 2, 4-Dimethylthiophenol	201721033560 A	September 21, 2017	July 12, 2019
Process for preparation of 4-Methylenepiperidine Hydrochloride	201821012075 A	March 30, 2018	July 24, 2020
Process for preparation of 4-Isobutoxybenzylamine Acetate	201821012113 A	March 30, 2018	July 24, 2020
Process for preparation of 3-Morpholino-1-(4-(2-Oxopiperidine-1-yl)-Phenyl)-5,6-Dihydro Pyridine -2- One	201721033413 A	September 20, 2017	July 12, 2019
Process for preparation of 5-Halo-2, 3-Diphenylpyrazine	201721033559 A	September 21, 2017	July 12, 2019

Particulars	Patent Application Number	Date of filing of application	Date of publication in the Journal
Process for preparation of 4 (4-Aminophenyl) Morpholin-3-One	201721033412 A	September 20, 2017	July 12, 2019
Process for preparation of 2,3-Dihydro-1, 4-Benzodioxine-6-Carbaldehyde	201821017070 A	May 7, 2018	November 8, 2019
Process for preparation of lumateperone tosylate intermediate (benzyl, 3-methyl-2-oxo-2,3,9,10-tetrahydro-1H-pyrido[3',4':4,5]pyrrolo[1,2,3-de]quinoxaline-8(7H) carboxylate.)	202121011152	March 16, 2021	N/A
Process for preparation of 4-Piperidone HCL Hydrate	202121011153	March 16, 2021	N/A
Process for preparation of bilastine intermediate	202121022118	May 17, 2021	N/A

### Information Technology

Our IT systems are vital to our business and we have adopted an IT policy to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations. We are currently using an enterprise resource planning solution SAP, which assists us with various functions including managing our financial accounting, material management, sales and distribution and human resource functions.

### Regulatory and Environmental Matters

Our intermediates are used in products that are sold by our customers in various markets and are subject to regulation by their respective government entities, including the WHO and the US-FDA. Each of these agencies requires us to adhere to laws and regulations governing the development, testing, manufacturing, labelling, marketing and distribution of our intermediates. We are subject to significant Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in addition to the analogous laws and regulations in the foreign jurisdictions in which we do business. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We also handle hazardous materials in dedicated production areas and any failure to comply with the applicable laws and regulations may subject us to penalties and may also result in the closure of our facilities.

The management systems of our Sachin facility have been certified by the Bureau Veritas Certification Holding SAS – UK Branch to be compliant with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, SA 8000:2014 for designing, manufacturing and dispatching of pharmaceutical intermediates for bulk drugs. Similarly, our Jhagadia and Ankleshwar Facilities are certified as compliant with ISO 9001:2015 and ISO 14001:2015 standards for Development, Manufacture and Dispatch of Bulk Drugs Intermediates and Fine Chemicals by Bureau Veritas (India) Private Limited. Further, our Company is also subject to regular customer audits basis which our Company undertakes suitable corrective measures during the ordinary course of its business and operations. Our Company also uses certain common solid/ hazardous waste disposal facilities for disposal of solid and hazardous waste being generated at our facilities.

Please see “Risk Factors – We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows.” and “Key Regulations and Policies in India” on page 23 and 168, respectively.

### Health and Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a Quality, Health, Safety and Environment (“QHSE”) Policy from July 1, 2018, that is aimed at

complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management in addition to enhancing customer satisfaction and continual improvement in our management systems and performance.

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 also believe we are in compliance with applicable health and safety laws and regulations. We also believe that all our Manufacturing Facilities and R&D Facility possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution. Our occupational health and safety management system at Sachin Facility has been certified to be in compliance with ISO 45001:2018 standards by the Bureau Veritas Certification Holding SAS – UK Branch until July 4, 2022.

Similarly, our Ankleshwar Facility and Jhagadia facility have been certified to be in compliance with ISO 9001:2015 and ISO 14001:2015 by Bureau Veritas (India) Private Limited.

## Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements.

Our principal types of coverage include insurance for (i) asset and inventory coverage; (ii) workmen compensation; (iii) consequential loss (fire) of profit; (iv) Directors' and Officers' insurance and COVID-19 coverage insurance for our employees; (v) Money in safe and in transit; (vi) Public liability (including industrial risk); and (vii) marine cargo. Our insurance policies may not be sufficient to cover our economic loss. See *"Risk Factors – Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition."* on page 37.

## Human resources

Our work force is a critical factor in maintaining quality and safety which strengthen our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

We also hire contract labour for our facilities, from time to time and as of April 30, 2021, we have engaged 239 contract labourers. We believe we have good relations with our employees.

As of April 30, 2021, we had 500 full time employees.

Division	Number of Employees (as on April 30, 2021)				
	Sachin Facility	Ankleshwar Facility	Jhagadia Facility	Corporate office and other locations (Mumbai)	Total
Accounts	11	0	2	0	13
Finance					
Dispatch	5	4	4	0	13
Store	13	4	4	0	21
Research & Development, ADL, Kilo Lab	64	2	0	0	66
Marketing	4	0	0	3	7
Q.A.	15	0	2	0	17
Maintenance	39	16	15	0	70
Production	89	45	21	0	155
IT	4	0	0	0	4
EHS & ETP	17	7	6	0	30
HR & Admin	16	4	5	0	25
Q.C.	46	15	11	0	72
Purchase	4	0	0	0	4



Division	Number of Employees (as on April 30, 2021)				
	Sachin Facility	Ankleshwar Facility	Jhagadia Facility	Corporate office and other locations (Mumbai)	Total
Director	3	0	0	0	3
Total	330	97	70	3	500

## Competition

We compete against domestic companies operating in our industry. Some of our competitors have (i) greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively; and (ii) better geographical reach which gives them the ability to quote competitively as the transportation costs are limited. However, depending on various factors, and the extent of our presence in the relevant geographical region, we are able to leverage our experience, established relationships and familiarity with the industry to provide cost effective products than our competitors or offer a better value proposition.

## Corporate Social Responsibility

We have adopted a Corporate Social Responsibility (“CSR”) policy and have constituted a CSR Committee in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and amendments thereto. Our CSR activities are primarily focused on initiatives relating to education, healthcare and the environment, particularly in the geographical areas near our manufacturing facilities.

Our CSR activities are monitored by the CSR Committee of our Board. For details of the terms of reference of our CSR Committee, see “*Our Management*” on page 182. For the Fiscal 2021, we had spent an amount of ₹7.53 million in CSR activities. For further details see section “*Financial Information*” on page 210.

## Material Properties

S. No.	Facility	Property Description	Area	Term
			(in Sq. Mtrs.)	
1	Sachin	Property situated at Plot No. 440/4, 5, 6, & 8206/B of Gujarat Industrial Development Corporation, Sachin	8,250	On GIDC lease for a period of 99 years from November 25, 1991 (for Plot No 440/4); on GIDC lease for a period of 99 years from November 26, 1992 (for Plot No 440/5); on GIDC lease for a period of 99 years from November 27, 1990 (for Plot No 440/6); on GIDC lease for a period of 99 years from September 5, 1989 (for Plot No. 8206/B)
2	Ankleshwar	Property situated at Plot No. 127/1 G.I.D.C. Industrial Estate, Ankleshwar.	10,644	On GIDC lease for a period of 99 years from June 10, 1977
3	Jhagadia	Property situated at Plot No. 910/1/B, G.I.D.C. Jhagadia.	56,998	On GIDC lease for a period of 99 years from November 4, 2011
4	R&D	Property situated at Shed no. C1B/469, Sachin Industrial Area/ Estate, Surat	703	On GIDC lease for a period of 99 years from Feb 3, 1990
5	Ware house	Property situated at 478 + 479 and 494+495 GIDC Sachin	2,812	On GIDC lease for a period of 99 years from July 9, 2002
6	Ware house-1	Property situated at 464 GIDC Sachin	703	On rent for a period of 11 months from April 1, 2021
7	Marketing Office	Office No.115, 11 <sup>th</sup> Floor Ghanshyam Enclave, Nr., Lalji Pada Police Chowky, New Link Road, Kandiwali-west, Mumabi-400067	32.52	On rent for a period of 24 months from May 1, 2021
8	Guest House	Property situated at Plot No. 148 in the society known as “KRISHNA PARK” Block No. 55 situated in Pardi Kanade village of Taluka – Choryasi, District Surat	167.226	Owned

## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies in India which are applicable to our Company and the business undertaken by our Company.*

*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 amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice.*

*Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see “Government and Other Approvals” beginning on page 305.*

### ***Laws in relation to our business***

#### **The Drugs and Cosmetics Act, 1940 (“DCA”) and Drugs and Cosmetics Rules, 1945 (“DC Rules”)**

DCA and DC Rules regulate the import, manufacture, distribution and sale of drugs and cosmetics in India including labelling, packing and testing as well as matters pertaining to drug formulations and all substances used as components for drugs such as Active Pharmaceutical Ingredient (“API”).

It empowers the Central government to prescribe rules for testing and licensing new drugs. The procedures provide for obtaining a series of approvals at different stages of testing drugs, before the Drug Controller General of India (“DCGI”), an authority established under the DCA which grants the final license to allow the drug to be manufactured and marketed. Obtaining an approval from DCGI involves an application to be made to the DCGI. Upon examining the medical data, the chemical data and the toxicity of the drug, the DCGI issues a no objection certificate. The no objection certificate allows the manufacturer of the drug to move on to the next stage of testing at the central drug laboratories. The drug is subject to a series of tests at the central drug laboratories, for its chemical integrity and analytical purity. If the drug meets the standards required by the authority, the authority issues a certificate in that respect. The DCGI issues a manufacturing and marketing license in respect of APIs. These licenses are submitted by the company seeking to produce the drug, to the drug control administration of the state which clears the drug for manufacturing and marketing. The drug control administration also provides the approval for technical staff as per the DCA and DC Rules framed under the DCA. The approvals for licensing are to be obtained from the drug control administration. The Central Drugs Standard Control Organisation is responsible for testing and approving APIs and formulations in consultation with the DCGI. The approval process for conducting clinical trials, manufacturing and marketing of a drug depends on whether the drug is new chemical entity or a Recombinant Deoxyribonucleic Acid (“RDNA”) product. The DCA mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authority.

DC Rules enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of samples of drugs for analysis or test to the Central Drugs Laboratory, the forms of Central Drugs Laboratory’s certificates thereon and the fees payable in respect of such reports. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same and the fees payable therefore. The DC Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DC Rules further prescribe the manner of labelling and packaging of drugs.

The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials along with free medical management. The Central Drugs Standard Control Organization has issued the guidelines for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the National Ethical Guidelines for Biomedical Research Involving Human Participants, 2017 which envisage that medical and

related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further, such research is subjected to evaluation at all stages.

### **The Essential Commodities Act, 1955 (“ECA”)**

The ECA gives powers to the Central Government to control production, supply and distribution of trade and commerce in certain essential commodities for maintaining or increasing supplies, and for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries or departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

### **The Drugs (Price Control) Order, 2013 (“DPCO 2013”)**

The DPCO 2013 was issued by the Central Government under Section 3 of the ECA and in supersession of the Drugs (Prices Control) Order, 1995, thereby giving effect to the National Pharmaceuticals Pricing Policy, 2012. The DPCO 2013, *inter alia*, provides that the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government has the power under the DPCO 2013 to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor and the said amounts are to be deposited in the Drugs Prices Equalization Account. The DPCO 2013 prescribes certain instances in which case the provision of the DPCO 2013 will not be applicable. These provisions are applicable to all scheduled drugs and other drugs may be regulated, if warranted in public interest.

### **The Narcotic Drugs and Psychotropic Substances Act, 1985 (“Narcotic Act”)**

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, trans-shipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals, commonly known as precursors, which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for offences after previous conviction relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances.

### **The Poisons Act, 1919 (“Poisons Act”)**

The Poisons Act regulates the import, possession and sale of poisons. It empowers the State Government to frame rules for regulation of possession for sale and sale of poisons. It also empowers the Central Government to prohibit the import of any specified poison into India across any customs frontier defined by the Central Government and also regulates the grant of license. Any contravention of the provisions of the Poisons Act may be punished with imprisonment or fine or both.

### **The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boiler Regulations”)**

The Boilers Act seeks to regulate *inter alia*, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

### **The Explosives Act, 1884 (“Explosives Act”) and the Explosives Rules, 2008 and amendments thereto (“Explosives Rules”)**

The Explosives Act is a comprehensive law to regulate the manufacturing, possession, sale, transportation, export and import of explosives. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

### **The Petroleum Act, 1934 (“Petroleum Act”) and the Petroleum Rules, 2002 and amendments thereto (“Petroleum Rules”)**

The Petroleum Act regulates the import, transport and storage of petroleum, among other things. Persons intending to use petroleum in the manner provided by the Petroleum Act need to acquire a license for the same from relevant authorities. The Central Government, may from time to time, declare by rules and notifications places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc. The Petroleum Rules were enacted by the Central Government to further provide a framework for *inter alia* the storage, delivery, dispatch, transport, importation of petroleum, importation of petroleum.

### **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 instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules regulate the pre-packing and the sale of commodities in a packaged form, and provide 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 were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual MRP and bringing e-commerce within the ambit of these rules.

### **The Patents Act, 1970**

The Patents Act, 1970 governs the patent regime in India. As a signatory to the Trade Related Agreement on Intellectual Property Rights (“**TRIPS**”), India was required to ensure that its patent laws were in compliance with the TRIPs by January 1, 2005. Under this new patent regime, India is required to recognise product patents as well as process patents. The new regime provides for:

- Recognition of product patents in respect of food, medicine and drugs;
- Patent protection period of 20 years as opposed to the earlier seven-year protection for process;
- Patent protections allowed on imported products; and
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

The Patents (Amendment) Act, 2005 has made certain changes to the Patents Act, 1970 (“**Patents Act**”). The definition of inventive step in the Patents Act has been amended to exclude incremental improvements or ever greening of patents. Now, (a) an inventive step must involve a technical advance as compared to the existing

knowledge or must have economic significance or both, and (b) the invention must be non-obvious to a person skilled in the art. Section 3(d) of the Patents Act has been amended to exclude the following from the definition of patents:

- the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance, or
- the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.

The explanation to Section 3(d) clarifies that salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations, and other derivatives of known substance shall, unless they differ significantly in properties with regard to efficacy, be considered the same substance. Thus, the law now stipulates that derivatives, isomers, metabolites of known substances are not easily patentable without the establishment of significant improvements in properties. The proviso to Section 11A(7) has been introduced in the Patents Act to provide protection to those Indian enterprises which have made significant investment in and have been producing and marketing a product prior to January 1, 2005, for which a patent has been granted through an application made under Section 5(2) of the Patents Act and have continued to manufacture the product covered by the patent on the date of grant of the patent. In such a case, the patent-holder shall only be entitled to receive reasonable royalty from such enterprises and cannot institute infringement proceedings against such enterprises.

### ***The Trade Marks Act, 1999 (“Trademarks Act”)***

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks.

## **Environmental Laws**

### **The Environment Protection Act, 1986 (“EPA”) the Environment Protection Rules, 1986**

The EPA is an umbrella legislation designed to provide a framework for the Government to co-ordinate the activities of various central and state authorities established under other laws, such as the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. The EPA vests the Government with various powers including the power to formulate rules prescribing standards for the discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment or machinery, and examination of processes and materials likely to cause pollution.

The EPA provides for the protection and improvement of the environment and for matters connected therewith, and includes, without limitation, the rule making power of the central government to determine the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, the procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries, and the carrying on of processes and operations in different areas. Among other things, these rules regulate the environmental impact of construction and development activities, emission of air pollutants, and discharge of chemicals into surrounding water bodies. The responsibility of primary environmental oversight authority is given to the Ministry of Environment and Forest (“**MoEF**”), the Central Pollution Control Board and the State Pollution Control Board (“**SPCB**”). Penalties for violation of the EPA include fines up to ₹100,000, imprisonment of up to 5 years, or both. In addition, the MoEF looks into Environment Impact Assessment (“**EIA**”), wherein it assesses the impact that proposals for expansion, modernization and setting up of projects would have on the environment before granting clearances.

### **The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act mandates that the previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge waste or trade effluents into a stream, well, sewer or onto land, bring into use any new or altered outlet for the discharge of sewage, or begin to make any new discharge of sewage. In addition, a cess is payable under

the Water (Prevention and Control of Pollution) Cess Act, 1977 by a person carrying on any specified industry..

### **The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act was enacted for the prevention, control and abatement of air pollution. The State Government may declare any area as an “air pollution control area” and the previous consent of the SPCB is required for establishing or operating any industrial plant in an area so declared. Further, no person operating any industrial plant in any such area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the SPCB. The SPCB may also apply to the Court to restrain persons causing air pollution. Whoever contravenes any of the provisions of the Air Act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“HWM Rules”)**

The HWM Rules allocate the responsibility to the occupier and operator of any facility that treats hazardous wastes to collect, treat, store or dispose them without adverse effects accruing to the environment. Moreover, the occupier and the operator must take steps to ensure that persons working at the site are given adequate training and equipment for performance of their work. Hazardous wastes can be collected, treated, stored and disposed of only in such facilities as may be authorised for this purpose. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste, and any fine that may be levied by the respective SPCB.

### **The Bio Medical Waste (Management and Handling) Rules, 2016 (“BMW Rules”)**

The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. Now, their scope has been widened to now also provide for the pre-treatment of lab waste, blood samples, etc. It mandates the use of a barcode system for proper control. It has simplified categorisation and authorisation. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health or the environment, and to set up biomedical waste treatment facilities as prescribed under them. They further require such persons to apply to the prescribed authority for grant of authorization and submit to them an annual report. Finally, these persons are also required to maintain records related to the generation, collection, storage, transportation, treatment, disposal and/or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

### **The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989 (“MSIHC Rules”)**

The MSIHC Rules, as amended, stipulate that an occupier in control of an industrial activity has to provide evidence for having identified major accident hazards and having taken adequate steps to prevent such accidents and limiting their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment, including antidotes, to the persons working on the site to ensure their safety. They are also under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours of occurrence.

### **Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification under the EPA. The owner or handler is also required to take out an insurance policy that insures against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund a sum equal to the premium payable to the insurer on the policies taken out.

### **Gas Cylinder Rules, 2016 (“Gas Cylinder Rules”)**

The Department of Labour, Government of India, has declared compressed gas filled in metallic containers as explosives under Section 17 of the Explosives Act, 1884 (IV of 1884). The Central Government, in exercise of powers under Section 5 and Section 7 of the said Act, had promulgated the Gas Cylinder Rules, 2016, to regulate

filling, possession, transport and import of such gases. The objective of these Rules is to ensure safety of persons engaged in the filling, possession, transportation and import of such gases in compressed or liquefied state. A person can fill or possess such cylinders filled with compressed gas only once they have duly obtained the license from Chief Controller, who will certify compliance with the construction standards after being shown the necessary test and inspection certificates.

### **Chemical Accidents (Emergency Planning Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”)**

The Chemical Accidents Rules had been promulgated under the EPA for preparedness and response during chemical disasters and the operation of on-site and off-site emergency plans. They provide for the creation of the “State Crisis Group”, “District Crisis Groups” and the “Local Crisis groups”. The major function of the State Crisis Group is to review all district off-site emergency plans in the State with a view to examine their adequacy, to assist the State Government in the planning, preparedness and mitigation of harm during a major chemical accident, to continuously monitor the post-accident situation arising out of major chemical accident in the State, and to forward a report to the Central Crisis Group. The District Crisis Group assists in the preparation of the district off-site emergency plan, reviews all the on-site emergency plans, assists the district administration in the management of chemical accidents at a site in the district, and continuously monitors chemical accidents. The “Local Crisis Group” is a body in the industrial pocket, constituted to deal with chemical accidents and to coordinate efforts in planning, preparedness and mitigation efforts during such an accident.

### **Tax Laws**

#### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

#### **Goods and Service Tax (“GST”)**

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament has exclusive power to levy GST (integrated tax- IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following the passage of Constitution 122<sup>nd</sup> Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

##### **- *Central Goods and Services Tax Act, 2017 (“CGST Act”)***

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

##### **- *Gujarat Goods and Services Tax Act, 2017 (“GGST Act”)***

The Gujarat Goods and Services Tax Act, 2017 regulates the levy and collection of tax on the supply of goods and services within the state by the state government. The GGST Act covers all the transaction occurring within the geographical boundaries of Gujarat. The GGST mandates every supplier providing the goods and services to be registered within the state, within 30 days from which it becomes liable for such registration.

##### **- *The Integrated Goods and Services Tax Act, 2017 (“IGST Act”)***

The IGST Act regulates the levy and collection of tax on the inter-State supply of goods and services by the Central Government or State Governments. It also includes the import and export of goods and services. The IGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration.

### **The Customs Act, 1962**

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The provisions relating to appointment of customs ports, airports, warehousing stations are laid down under the Act. There shall be absolute or partial prohibition on import or export of goods by the Central Government for maintenance of security in India. The interest on levy of or exemption of customs duty is laid down under Chapter V of the Act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

### **Regulation of Foreign Investment**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended (“**FEMA**”) read with the applicable FEMA Regulations. The Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The FDI Policy will be valid until the DIPP issues an updated circular. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government or the RBI is required, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, the foreign investor or the Indian company does not require any approval of the RBI or Government for investments. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. Subject to the provisions of the FDI Policy, FDI is allowed under the automatic route in the greenfield pharmaceutical projects up to 100% and in the brownfield pharmaceutical projects up to 74% under the automatic route and beyond 74% under the approval route.

### **Remission of Duties and Taxes on Exported Products (“**RoDTEP**”)**

Through a press release dated March 13, 2020, the Cabinet Committee on Economic Affairs approved the RoDTEP scheme for reimbursement of taxes, duties, or levies, at the Central, State and local level, which are currently not being refunded under any other mechanism, but which are incurred in the process of manufacture and distribution of exported products. This scheme has replaced the ongoing Merchandise Export from India Scheme (“**MEIS**”) introduced by the Foreign Trade Policy 2015-2020.

By way of notification bearing number 30/2015-2020 dated September 1, 2020, the Department of Commerce, Ministry of Commerce and Industry imposed a ceiling on the benefits under the MEIS available to exporters from September 1, 2020 and discontinued all benefits under the MEIS with effect from January 1, 2021. The detailed operational framework for the RoDTEP, particularly the rates under the RoDTEP have not yet been notified. The notified rates will apply to all products from January 1, 2021, irrespective of the date of the notification.

The Foreign Trade Policy 2015-2020 also makes provisions for duty free import for export production through various means including Duty Exemptions Schemes such as Advance Authorizations and Duty Free Import Authorizations and Duty Drawback Scheme administered by the Department of Revenue

### **EXIM Policy**

The EXIM Policy is a set of guidelines and instructions mandated by the Directorate General of Foreign Trade (“**DGFT**”) under Section 5 of Foreign Trade (Development and Regulation) Act, 1992 (“**FTDR**”) Act. These guidelines and instructions pertain to the export and import of goods and services in and from India. DGFT acts as the focal point and main governing body in matters related to the EXIM Policy. The EXIM policy has been promulgated with the objective of providing development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Foreign Trade Policy is prepared and announced by the Central Government (Ministry of Commerce and Industry) for a period of five years.

### **Other relevant legislations**



In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013, Indian Contract Act, 1872, Sale of Goods Act, 1930, intellectual property laws and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state labour laws and tax laws. Labour laws and regulations, including,

- Factories Act, 1948
- The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA Act**”);
- The Employee’s Compensation Act, 1923 (“**EC Act**”);
- The Payment of Gratuity Act, 1972 (“**Gratuity Act**”);
- The Payment of Bonus Act, 1965 (“**Bonus Act**”);
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948 (“**Minimum Wages Act**”);
- The Employees’ State Insurance Act, 1948 (“**ESI Act**”);
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”);
- The Payment of Wages Act, 1936 (“**Wages Act**”);
- The Industrial Disputes Act, 1947 (“**ID Act**”);
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI 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 which will repeal the Bonus Act, Minimum Wages Act, Equal Remuneration Act, 1976 and the Wages Act, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and ID Act (iii) the Code on Social Security, 2020 which will repeal certain enactments including the EC Act, the ESI Act, the EPF Act, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Gratuity Act and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the CLRA Act. Our Company and its Joint Venture are subject to various other applicable laws, regulations, rules and guidelines, depending on the nature of activities carried out by them, for instance.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was initially formed as a partnership firm under the Partnership Act, 1932 as “Ami Organics” with effect from January 3, 2004 at Surat, Gujarat, India pursuant to a deed of partnership dated January 3, 2004 executed amongst our Promoters, along with others, as partners. The firm converted into a private limited company under the Companies Act 1956, under the name of “Ami Organics Private Limited” with a certificate of incorporation dated June 12, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company, following which our Company’s name was changed to “Ami Organics Limited”, and a fresh certificate of incorporation was issued by the RoC on April 18, 2018.

### 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
August 24, 2015	The Registered Office of our Company was changed from Plot No. 440/5 & 6, Road No. 82, GIDC, Sachin, Surat – 394 230 Gujarat, India to its present location at Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat – 394 230 Gujarat, India	Pursuant to addition of Plot No. 440/4, Road No. 82, GIDC Sachin, Surat – 394 230 Gujarat, India to the registered office address by way of lease

### Main Objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

*To carry on in India or elsewhere, the business of producing, processing, manufacturing, formulating, using, acquiring, storing, refining, packing, transporting, distributing, importing, exporting and dealing in and to do job work and to enter into manufacturing contract of every kind and description of organic chemicals and other chemicals.*

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 5, 2018	<ul style="list-style-type: none"> <li>i. The name of our Company was changed from Ami Organics Private Limited to Ami Organics Limited pursuant to conversion from a private company into a public company; and</li> <li>ii. Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹ 15,000,000 comprising of 1,500,000 Equity Shares of ₹ 10 each to ₹ 150,000,000 comprising of 15,000,000 Equity Shares of ₹10 each.</li> </ul>
January 30, 2021	<ul style="list-style-type: none"> <li>i. Amendment to Clause III (B) of the Memorandum of Association;</li> <li>ii. Deletion of Clause III (C) of the Memorandum of Association;</li> <li>iii. Clause IV of the Memorandum of Association was replaced with the following: <i>“The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”</i></li> <li>iv. Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹ 150,000,000 comprising of 15,000,000 Equity Shares of ₹10 each to ₹ 500,000,000 comprising of 50,000,000 Equity Shares of ₹10 each.</li> </ul>
May 15, 2021	Amendment to headings of Clause III (A) and Clause III (B) of the Memorandum of Association

## Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2004	Formation of partnership firm in the name of “Ami Organics”
2007	Ami Organics changed its constitution into Ami Organics Private Limited
2011	Implemented the Integrated Management System (IMS)
2015	Achieved turnover of ₹1,000 million Incorporated Ami Onco-Theragnostics, LLC in USA along with Photolitec LLC
2016	Established a tertiary effluent treatment plant to become zero liquid discharge plant Received recognition from the Department of Scientific and Industrial Research for our in-house research and development (“R&D”) unit.
2017	Increased warehouse capacity by establishing a warehouse equipped with modern infrastructure including fire and safety and having a storage capacity of 1050 metric ton (“MT”) of raw material Achieved turnover of ₹ 1,500 million Applied for process patents for five products in India
2018	Completed assessment of and established a good manufacturing practice (GMP) compliant facility at our production site and warehouse in Surat, Gujarat. Applied for process patents for three additional products in India Converted Ami Organics Private Limited into a public limited company, Ami Organics Limited Received first establishment inspection report (“EIR”) from the United States Food and Drug Administration (“USFDA”)
2020	Received second EIR from USFDA for the manufacturing facility at Surat, Gujarat Commencement of a new research and development laboratory at Sachin, Surat, Gujarat Commencement of the new solvent recovery plant at Sachin, Surat, Gujarat
2021	Acquisition of the Ankleshwar and Jhagadia units from Gujarat Organics Limited Applied for process patents for three additional products in India

## Awards, accreditations or recognitions

Our Company has received the following awards, accreditation and recognition:

Calendar Year	Award/ Accreditations
2005	Gujarat Gas Safety Award for developing and implementing effective HSE Management System by Gujarat Gas Company Limited
2016	Obtained certifications for ISO 9001:2015 and ISO 14001:2015
2017	Outstanding export performance “Second Award” under the category of Panel - II: Inorganic, Organic and Agro Chemicals - (SSM) for the year 2016-17
2018	Conferred the title of the “Best Recruiter” by Uka Tarsadia University, Bardoli Recognition by the Directorate General of Foreign Trade with status of ‘Two Star Export House’ Certified by the Central Board of Indirect Taxes and Customs as ‘Authorised Economic Operator’ in recognition and appreciation of our Company’s commitment to secure international supply chain and compliance with ‘WCO’s SAFE Framework of Standards’. Obtained certification for SA 8000:2014 “Business Innovation Award” under Dare to Dream awards by SAP
2019	Obtained certification for ISO 45001:2018
2021	Award for Excellence in the ‘Research in Science & Technology’ category by the Federation of Gujarat Industries Fairdeal Filaments Awards for Outstanding Entrepreneur in MSME Segment by the Southern Gujarat Chamber of Commerce & Industry

## Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

## Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

## **Joint Venture**

Except as disclosed below, our Company has no joint ventures as on the date of this Draft Red Herring Prospectus:

### **Ami Onco-Theragnostics, LLC**

#### *Corporate Information*

Ami Onco-Theragnostics, LLC was incorporated as a limited liability company on January 29, 2015 in the state of Delaware, U.S.A. as an international corporate joint venture between Photolitec LLC, a limited liability company formed under the laws of New York state in the United States of America and our Company.

Ami Onco-Theragnostics, LLC is primarily engaged in the business of commercialisation, production, marketing and selling of certain licenced products which, *inter alia*, include patents and know-how of certain products and compounds in various geographic locations except China (including Macau, Hong Kong and Taiwan) and south east Asian countries.

#### *Capital Structure*

The partners' capital of Ami Onco-Theragnostics, LLC comprises of 250 units of members' contribution.

#### *Shareholding*

Photolitec, LLC holds 125 units and our Company holds 125 units of Ami Onco-Theragnostics, LLC.

## **Time/cost overrun**

There has been no time or cost overrun in relation to the projects executed by us.

## **Strike and lock-outs**

There have been no lock outs or strikes since our incorporation.

## **Launch of key products or services, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets**

For details of key products or services launched by our Company, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see "*Our Business*" on page 146.

## **Defaults or rescheduling / restructuring of borrowings with financial institutions / banks**

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

## **Details of material acquisition or divestments in the last 10 years**

Except as disclosed below, our Company has not acquired or divested any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus:

### **1. Acquisition of Jhagadia facility belonging to Gujarat Organics Limited ("GOL")**

Our Company and GOL executed a business transfer agreement dated March 13, 2021 ("**Jhagadia BTA**") pursuant to which our Company acquired the business pertaining to manufacture and supply of specialty chemicals and preservatives used in personal care, pharmaceutical and agro-chemical industries operated by GOL in the Jhagadia facility ("**Jhagadia Transferred Business**") as a going concern on a slump sale basis, in accordance with Section 2(42C) read with Section 50B of the Income Tax Act, 1961.

Pursuant to the aforementioned slump sale, our Company has acquired assets and liabilities in connection with the Jhagadia Transferred Business, including *inter alia*:

- (i) movable assets, goodwill, business contracts, insurance policies, accounts receivables, employees, intellectual property, the land leased from Gujarat Industrial Development Corporation situated at plot no. 910/1/B, Jhagadia Industrial Estate, Bharuch, Gujarat and the Jhagadia manufacturing facility; and
- (ii) payments to be made to creditors, payables for capital expenditure and credit balance and payables to the customers,

for a consideration of ₹ 700.00 million on March 31, 2021.

## **2. Acquisition of the Ankleshwar facility belonging to GOL**

Our Company and GOL executed a business transfer agreement dated March 8, 2021 (“**Ankleshwar BTA**”) pursuant to which our Company acquired the business pertaining to manufacture and supply of specialty chemicals and preservatives used in personal care, pharmaceutical and agro-chemical industries operated by GOL in the Ankleshwar facility (“**Ankleshwar Transferred Business**”) as a going concern on a slump sale basis, in accordance with Section 2(42C) read with Section 50B of the Income Tax Act, 1961.

Pursuant to the aforementioned slump sale, our Company has acquired assets and liabilities in connection with the Ankleshwar Transferred Business including *inter alia*

- (i) movable assets, goodwill, business contracts, insurance policies, accounts receivables, identified employees, transferred intellectual property, the land leased from Gujarat Industrial Development Corporation situated at plot no. 127/1, Ankleshwar Industrial Estate, Gujarat and the Ankleshwar manufacturing facility; and
- (ii) payments to be made to creditors, payables for capital expenditure and credit balance and payables to the customers,

for a consideration of ₹ 230 million on March 31, 2021.

## **3. Sale of membership interest in SkinStitch, LLC (“SkinStitch”)**

Our Joint Venture, Ami Onco-Theranostics, LLC along with SkinStitch Corporation incorporated SkinStitch, LLC on January 25, 2018 in which our Joint Venture held 51% membership interest. Pursuant to a membership interest purchase agreement dated May 19, 2020, our Joint Venture sold, transferred, conveyed, assigned and delivered its right, title and interest in 51% membership interest in SkinStitch, and all related agreements on closing date i.e., April 24, 2020.

### **Mergers or amalgamation in the last 10 years**

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

### **Revaluation of assets 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 shareholders’ agreements**

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder’s agreements among our shareholders *vis-a-vis* our Company, which our Company is aware of.

### **Other agreements**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into any 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.

Other than as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business:

### **Contracts pertaining to the international corporate Joint Venture**

#### **1. *Joint venture agreement dated January 29, 2015 executed between Photolitec LLC and our Company for the incorporation of a limited liability company (“JV Agreement”).***

Our Company has entered into a joint venture agreement with Photolitec LLC (“**Photolitec**”), a U.S. based limited liability company engaged in the development of new photosensitizing compounds used to identify and treat cancer through patents and patent applications, to form a new jointly owned joint venture company for the purpose of commercialisation, production, marketing and selling of certain licensed products in specified geographical locations. Under the agreement, Photolitec has agreed to license or sub-license in favour of the Joint Venture, Ami Onco-Theranostics, LLC, its patent and rights to manufacture, sub-license, market and sell the licensed products against the agreed consideration and payment terms.

The agreement allows for the increase in the share capital of the Joint Venture, Ami Onco-Theranostics, LLC from time to time by such sums as may be mutually agreed. However, it further stipulates that in the event of the introduction of a third-party equity participant, the percentage ownership of only our Company in the Joint Venture, Ami Onco-Theranostics, LLC shall be diluted while the percentage ownership of Photolitec LLC shall remain 50%, and that under no event shall Photolitec LLC’s percentage ownership in the Joint Venture be less than 50%. Further, the responsibility of raising funds for the Joint Venture after completion of U.S. Phase I clinical trials is on our Company.

Pursuant to the said agreement, Ami Onco-Theranostics, LLC was incorporated as a limited liability company on January 29, 2015 in the state of Delaware, U.S.A. as an international corporate joint venture between Photolitec and our Company.

#### **2. *Operating agreement dated May 15, 2015 between our Company and Photoletic (“Operating Agreement”).***

Pursuant to the JV Agreement, our Company and Photoletic have executed the Operating Agreement which provides the respective rights and obligations in connection with the Joint Venture. The Operating Agreement provides the requirements pertaining to term and purpose of the Joint Venture, the capital contributions, payment schedules, distribution of cash flow, completion of the clinical trial and commercialization of the licensed products and other operational aspects of the Joint Venture. Further, it stipulates that under no circumstances, the percentage of Photoletic’s percentage interest in the Joint Venture shall be less than 50% and in the event a third party participant is introduced, the interest of our Company will be diluted while Photolitec’s interest shall remain at 50%.

The Operating Agreement restricts our Company and Photoletic from transferring, directly or indirectly, any of its membership interest in the Joint Venture except as specified under the Operating Agreement. In the event either our Company or Photoletic desires to transfer its membership interest to a third party, the Operating Agreement provides the parties the right of first refusal. Through an amendment agreement dated April 27, 2021, the provision pertaining to the directors of our Joint Venture was amended to, *inter alia*, appoint Nareshkumar Ramjibhai Patel as the chairman of the board of directors of our Joint Venture.

#### **3. *License agreement dated October 18, 2019 (“License Agreement”).***

Pursuant to the JV Agreement, our Joint Venture and Photoletic executed the License Agreement, whereby Photoletic has granted our Joint Venture an exclusive licence to the patents, licenced products and licenced processes within the field of all human prophylactic and diagnostic uses and the locations specified within the Licence Agreement for the purpose of manufacture, marketing and sale of such licenced products and licenced processes. The rights of exclusive licensing for certain compounds/products related to nanotechnology and nanoparticles as specified in the Licence Agreement and the Operation Agreement were terminated through the amendment to the licence agreement dated March 12, 2021.

### **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.

**Guarantees given by the Promoters**

Our Promoters have provided guarantees with respect to certain borrowings of our Company. For further details, see “*Financial Indebtedness*” on page 298.

## OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have up to fifteen (15) Directors. As on the date of this Draft Red Herring Prospectus, we have 6 Directors on our Board, comprising 3 Executive Directors and 3 Non-Executive Independent Directors (including one (1) woman Director). The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, term, and DIN	Other directorships
1.	<p><b>Nareshkumar Ramjibhai Patel</b></p> <p><b>Designation:</b> Executive Chairman and Managing Director</p> <p><b>Date of birth:</b> September 20, 1974</p> <p><b>Address:</b> 26, Sai Baba Nagar Soc, Nr Katargam Fire Station, Katargam Surat 395004 Gujarat, India</p> <p><b>Occupation:</b> Business</p> <p><b>Current term:</b> Five years with effect from May 1, 2021</p> <p><b>Period of directorship:</b> Since June 12, 2007</p> <p><b>DIN:</b> 00906232</p> <p><b>Age:</b> 46</p>	<p><b>Indian companies:</b></p> <ul style="list-style-type: none"> <li>• Ami Oncotheranostics Private Limited*</li> <li>• Ami Procure Private Limited</li> </ul> <p><b>Foreign companies:</b></p> <ul style="list-style-type: none"> <li>• Ami Onco-Theranostics LLC</li> </ul> <p><i>* An application in Form STK-2 has been filed for striking off the name of Ami Oncothernostics Private Limited</i></p>
2.	<p><b>Chetankumar Chhaganlal Vaghasia</b></p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Date of birth:</b> April 11, 1974</p> <p><b>Address:</b> 202/B, Indraprasth Complex, Opp. Naginawadi, Katargam, Sumul Dairy Road, Surat City – 395 004 Gujarat, India</p> <p><b>Occupation:</b> Business</p> <p><b>Current term:</b> Five years with effect from May 1, 2021</p> <p><b>Period of directorship:</b> Since June 12, 2007</p> <p><b>DIN:</b> 01375540</p> <p><b>Age:</b> 47</p>	<p><b>Indian companies:</b></p> <ul style="list-style-type: none"> <li>• Ami Procure Private Limited</li> <li>• Ami Onco-Theranostics Private Limited*</li> </ul> <p><b>Foreign companies:</b></p> <ul style="list-style-type: none"> <li>• Ami Oncotheranostics LLC</li> </ul> <p><i>* An application in Form STK-2 has been filed for striking off the name of Ami Oncothernostics Private Limited</i></p>
3.	<p><b>Virendra Nath Mishra</b></p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Date of birth:</b> January 11, 1971</p> <p><b>Address:</b> 401, Vatika Apartment, Near Shikar Residency, Piplod, Surat City, Surat 395007 Gujarat, India</p> <p><b>Occupation:</b> Service</p> <p><b>Current term:</b> Five years with effect from April 1, 2021</p>	<p><b>Indian companies:</b></p> <p>Nil</p> <p><b>Foreign companies:</b></p> <p>Nil</p>



Sr. No.	Name, designation, address, occupation, term, and DIN	Other directorships
	<p><b>Period of directorship:</b> Since March 3, 2021</p> <p><b>DIN:</b> 07815490</p> <p><b>Age:</b> 50</p>	
4.	<p><b>Girikrishna Suryakant Maniar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> October 18, 1961</p> <p><b>Address:</b> 102, Shree Vastu Pooja CHS, Near Manish Park, Pump House, Andheri (East), Mumbai – 400 093 Maharashtra, India</p> <p><b>Occupation:</b> Practising Cost Accountant</p> <p><b>Current term:</b> Five years with effect from April 23, 2018</p> <p><b>Period of directorship:</b> Since April 20, 2018</p> <p><b>DIN:</b> 07515981</p> <p><b>Age:</b> 59</p>	<p><b>Indian companies:</b> <i>Nil</i></p> <p><b>Foreign companies:</b> <i>Nil</i></p>
5.	<p><b>Richa Manoj Goyal</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> January 8, 1975</p> <p><b>Address:</b> 501, Prakruti Apt. Opposite Uma Bhavan, Bhatar Road, Surat, Gujarat- 395017, India</p> <p><b>Occupation:</b> Practising Company Secretary</p> <p><b>Current term:</b> Five years with effect from April 1, 2021</p> <p><b>Period of directorship:</b> April 1, 2021</p> <p><b>DIN:</b> 00159889</p> <p><b>Age:</b> 46</p>	<p><b>Indian companies:</b></p> <ul style="list-style-type: none"> <li>Shahlon Silk Industries Limited</li> <li>Shree Ambaji Fibres Private Limited</li> </ul> <p><b>Foreign companies:</b> <i>Nil</i></p>
6.	<p><b>Hetal Madhukant Gandhi</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> July 29, 1965</p> <p><b>Address:</b> B2/1203 Vivarea, Sane Guruji Marg, Near Jacob Circle, Mahalaxmi, Mumbai, Maharashtra-400011, India</p> <p><b>Occupation:</b> Service</p> <p><b>Current term:</b> Five years with effect from April 28, 2021</p> <p><b>Period of directorship:</b> Since April 28, 2021</p> <p><b>DIN:</b> 00106895</p> <p><b>Age:</b> 55</p>	<p><b>Indian companies:</b></p> <ul style="list-style-type: none"> <li>Chalet Hotels Limited</li> <li>Tano India Advisors Private Limited</li> </ul> <p><b>Foreign companies:</b> <i>Nil</i></p>

#### **Relationship between our Directors**

None of our Directors are related to each other.

### **Brief biographies of Directors**

**Nareshkumar Ramjibhai Patel** is the Executive Chairman and Managing Director of our Company and has been associated with our Company since its incorporation. He holds a Bachelor of Engineering degree from the Gujarat University. He set up a partnership firm in Surat, CNR Intermediates, for manufacturing, purchasing and selling all kinds of chemicals, before founding the partnership firm Ami Organics with Girishkumar Limbabbhai Chovatia and Chetankumar Chhaganlal Vaghasia in 2004. He is currently also a designated partner at Globe Bio Care.

**Chetankumar Chhaganlal Vaghasia** is a Whole-time Director of our Company and has been associated with our Company since its incorporation. He holds a Diploma in Man-Made Textile Processing from the Mantra Education Institute, Surat. He set up a partnership firm in Surat, CNR Intermediates, for manufacturing, purchasing and selling all kinds of chemicals, before founding the partnership firm Ami Organics in 2004. He is currently also a designated partner at Globe Bio Care.

**Virendra Nath Mishra** is the Whole-time Director of our Company. He holds a Bachelor of Science degree from the Veer Bahadur Singh Purvanchal University, Jaunpur and holds a Master of Science (Chemistry) degree from the Poorvanchal University, Jaunpur. He was initially appointed as production manager in our Company and has been associated with our Company since 2005. He served as an executive Director on the Board of our Company from May 9, 2017 to March 1, 2018 and was subsequently appointed as the Director - Operation in our Company with effect from April 1, 2018. Prior to joining our Company, he was associated with K.A. Malle Pharmaceuticals Limited as an Officer (Research and Development) and Surya Organics and Chemicals.

**Girikrishna Suryakant Maniar** is a non-executive, Independent Director of our Company. He holds a Bachelor of Science degree in Chemistry from the University of Bombay and is a fellow member of the Institute of Cost Accountants of India. He has been practising as a cost accountant since 1988. He was appointed as an Independent Director of our Company on April 23, 2018.

**Richa Manoj Goyal** is a non-executive, Independent Director of our Company. She holds a Bachelor of Commerce degree from H.A. Commerce College, and holds an LL.B. degree from Gujarat University. She is an fellow member of the Institute of Company Secretaries of India. She is certified trademarks agent and she is currently the managing partner of the law firm 'Richa Goyal and Associates'.

**Hetal Madhukant Gandhi** is a non-executive, Independent Director of our Company. He holds a Bachelor of Commerce degree from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. He has over 34 years of experience in the financial services industry that encompasses private equity investments, credit markets and investment banking. He is the co-founder and managing director of Tano India Advisors Private Limited. He was previously associated with Infrastructure Leasing and Financial Services Limited as its Head- Financial Service and chief executive officer of ORIX Auto and Business Solutions Limited, and with A. F. Ferguson and Co as a consultant.

### ***Confirmations***

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their 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 their directorship in such company.

No proceedings or investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him or her or by the firm or company in which he or she is interested, in connection with the promotion or formation of our Company.

### ***Terms of appointment of Executive Directors***

### **Nareshkumar Ramjibhai Patel**

Nareshkumar Ramjibhai Patel has been associated with our Company as a Director since its incorporation. He was last re-appointed as the Managing Director and designated Executive Chairman of our Company pursuant to the resolutions passed by the Board on March 31, 2021 and the shareholders on May 15, 2021 for a period of five years, with effect from May 1, 2021.

He is entitled to a monthly remuneration of ₹ 3.55 million, along with other benefits, allowances, incentives, perquisites subject to a ceiling of ₹ 60 million, within the limits prescribed under Schedule V of the Companies Act. Additionally, he is entitled to Company's contribution to the provident fund, leave encashment at the end of his tenure, gratuity and superannuation benefits. Further, he is also entitled to a car provided by our Company with a driver for official use, annual performance benefit subject to availability of profits, and reimbursement of all reasonable expenses incurred in connection with business of the Company.

### **Chetankumar Chhaganlal Vaghasia**

Chetankumar Chhaganlal Vaghasia has been associated with our Company as a Director since its incorporation. He was last re-appointed as the Whole-time Director of our Company pursuant to the resolutions passed by the Board on March 31, 2021 and the shareholders on May 15, 2021 for a period of five years, with effect from May 1, 2021.

He is entitled to a monthly remuneration of ₹ 3.50 million, along with other benefits, allowances, incentives, perquisites subject to a ceiling of ₹ 60 million, within the limits prescribed under Schedule V of the Companies Act. Additionally, he is entitled to Company's contribution to the provident fund, leave encashment at the end of his tenure, gratuity, and superannuation benefits. Further, he is also entitled to a car provided by our Company with a driver for official use, annual performance benefit subject to availability of profits, and reimbursement of all reasonable expenses incurred in connection with business of the Company.

### **Virendra Nath Mishra**

Virendra Nath Mishra was appointed as a Whole-time Director of our Company with effect from April 1, 2021 pursuant to a resolution passed by the Board on March 3, 2021 and by the shareholders on May 15, 2021. He is entitled to a monthly remuneration of ₹ 0.72 million subject to a limit of ₹ 1.10 million per month which shall be within the ceiling prescribed under Section 197 or Schedule V of the Companies Act, 2013.

In addition to the above, he is also entitled to Company's contribution to the provident fund, leave encashment at the end of his tenure, gratuity and superannuation benefits. Further, he is also entitled to a car provided by our Company with a driver for official use, and reimbursement of all reasonable expenses incurred in connection with business of the Company.

### ***Compensation of Executive Directors***

The remuneration paid to the Managing Director and Executive Directors of our Company for Fiscal 2021 is as follows :

<i>(in ₹ million)</i>	
<b>Name of Director</b>	<b>Fiscal 2021</b>
Nareshkumar Ramjibhai Patel	18.00
Chetankumar Chhaganlal Vaghasia	18.00
Virendra Nath Mishra*	0.65
<b>TOTAL</b>	<b>36.65</b>

\* Virendra Nath Mishra was appointed as Additional Director on March 3, 2021, and the total remuneration paid to Virendra Nath Mishra for Fiscal 2021 is ₹ 7.58 million

### ***Payment or benefit to Non-Executive Directors of our Company***

The sitting fees or other remuneration paid to the Non-Executive Directors in Fiscal 2021 are as follows:

*(₹ in million)*

Name of Director	Sitting Fees (₹)	Commission (₹)
Girikrishna Suryakant Maniar	0.51	Nil
Richa Manoj Goyal*	Nil	Nil
Hetal Madhukant Gandhi**	Nil	Nil
<b>TOTAL</b>	<b>0.51</b>	<b>Nil</b>

\* Appointed as Director with effect from April 1, 2021

\*\* Appointed as Director with effect from April 28, 2021

#### ***Remuneration paid to our Directors from our Joint Venture***

None of the Directors of our Company received remuneration from our Joint Venture, Ami Onco-Theranostics, LLC in Fiscal 2021

#### ***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 were appointed on the Board.

#### ***Shareholding of Directors in our Company***

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Nareshkumar Ramjibhai Patel	4,003,710	12.71	[●]
2.	Chetankumar Chhaganlal Vagharia	3,097,500	9.83	[●]
3.	Virendra Nath Mishra	630,000	2.00	[●]
4.	Girikrishna Suryakant Maniar	Nil	Nil	[●]
5.	Richa Manoj Goyal	Nil	Nil	[●]
6.	Hetal Madhukant Gandhi	Nil	Nil	[●]

#### ***Borrowing Powers***

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, and pursuant to a resolution of the Shareholders of our Company passed in their extraordinary general meeting held on April 23, 2018, in accordance with Section 180 of the Companies Act, 2013, our Board is authorised to borrow a sum not exceeding ₹ 3,000 million.

#### ***Interests of Directors***

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Issue and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

None of our Directors have any interest in any venture that is involved in activities similar to those conducted by

our Company.

(i) *Interest in property*

Except as disclosed below, our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company:

Our Company has entered into an agreement to sale dated November 28, 2020 (“**Sale Agreement**”) with Chetankumar Chhaganlal Vaghasia, and Shital Nareshbhai Patel for purchase of land situated at Block No, 97, Surat District, Sub-District Surat, Village Kosmandi, Tal. Kamrej, upon satisfaction of certain conditions precedent as specified in the Sale Agreement. The total consideration for which the land is agreed to be purchased is ₹ 130.50 million and part payment of ₹108.00 million has already been made.

Our Company entered into an agreement of leasehold rights transfer dated September 12, 2018 (“**Lease Rights Agreement**”) with Shivay Enterprises Limited, a firm in which our Directors, Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia were partners, for the acquisition of leasehold rights over land and building situated at Shed No. C1/469, GIDC, Sachin, Surat admeasuring 703 square meters. A total consideration of ₹3.00 million paid by our Company pursuant to the Lease Rights Agreement. Our Directors have disassociated from Shivay Enterprises on account of its dissolution on February 20, 2020. For details, please see the section titled “*Our Promoters and Promoter Group – Companies or Firms with which our Promoters have disassociated in the last three years*” on page 203.

(ii) *Business interest*

Except as stated in “*Related Party Transactions*” on page 259, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

(iii) *Payment of benefits (non-salary related)*

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(iv) *Loans to Directors*

No loans have been availed by the Directors from our Company.

(v) *Bonus or profit sharing plan for the Directors*

No portion of the compensation of the Directors for Fiscal 2021 was paid pursuant to a bonus or profit-sharing plan. However, certain of our executive Directors are entitled to annual performance bonus or incentives subject to availability of net profits and recommendation by the Nomination and Remuneration Committee.

(vi) *Service contracts with Directors*

There are no service contracts executed by our Company with the Directors.

***Changes in the Board in the last three years***

Name	Date of appointment / change / cessation	Reason
Hetal Madhukant Gandhi*	April 28, 2021	Appointment as Independent Director
Richa Manoj Goyal*	April 1, 2021	Appointment as Independent Director
Virendra Nath Mishra*#	April 1, 2021	Appointment as Whole-time Director
Nareshkumar Ramjibhai Patel	April 1, 2021	Appointment as Executive Chairman
Kamini Kiran Shah	March 31, 2021	Resignation from position as Non-Executive Independent Director
Girishkumar Limbabbhai Chovatia	March 31, 2021	Resignation as Executive Chairman and Whole-time Director
Adarsh Paul Singh	September 5, 2019	Resignation from position as Non-Executive Independent Director

\* Regularized pursuant to a resolution passed by the Shareholders on May 15, 2021

# Appointed as Additional Director on March 3, 2021

## CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has 6 Directors comprising of 3 Executive Directors, and 3 Non-Executive, Independent Directors, including one woman Director. Further, each of the Executive Directors are liable to retire by rotation.

### *Committees of the Board*

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

#### *(i) Audit Committee*

The members of the Audit Committee are:

1. Girikrishna Suryakant Maniar, *Chairman*;
2. Hetal Madhukant Gandhi; and
3. Nareshkumar Ramjibhai Patel.

The Company Secretary shall act as the secretary to the committee.

The Audit Committee was constituted by a resolution of our Board of Directors passed at their meeting held on May 24, 2018 and re-constituted on April 28, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as following:

- (i) The Audit Committee shall have powers, which shall include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (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.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - (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;
  - (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;
  - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.*
- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  - (k) Scrutiny of inter-corporate loans and investments;
  - (l) Valuation of undertakings or assets of the company, wherever it is necessary;
  - (m) Evaluation of internal financial controls and risk management systems;
  - (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (o) 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;
  - (p) Discussion with internal auditors of any significant findings and follow up there on;

- (q) 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;
  - (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (s) 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;
  - (t) 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;
  - (u) Reviewing the functioning of the whistle blower mechanism;
  - (v) Approval of the appointment of the Chief Financial Officer of the Company (“CFO”) (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
  - (w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
  - (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; and
  - (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - (aa) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
  - (bb) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders and.
  - (cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
  - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
  - (d) Internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - (f) Statement of deviations:



- (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(ii) *Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

1. Hetal Madhukant Gandhi, *Chairman*;
2. Girikrishna Suryakant Maniar; and
3. Richa Manoj Goyal.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on May 24, 2018 and re-constituted on April 28, 2021. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - (c) Devising a policy on Board diversity;
  - (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  - (e) Analysing, monitoring and reviewing various human resource and compensation matters;
  - (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (h) 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;
  - (i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (j) Administering the employee stock option scheme/plan approved by the Board and shareholders of the

Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) including the following:

- (i) Determining the eligibility of employees to participate under the ESOP Scheme;
- (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
- (iii) Date of grant;
- (iv) Determining the exercise price of the option under the ESOP Scheme;
- (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- (x) The grant, vest and exercise of option in case of employees who are on long leave;
- (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
- (xii) The procedure for cashless exercise of options;
- (xiii) Forfeiture/ cancellation of options granted;
- (xiv) 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.
- (k) 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;
- (l) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- (m) 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 Nomination and Remuneration Committee.
- (n) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations

(iii) *Stakeholders' Relationship Committee*

The members of the Stakeholders' Relationship Committee are:

1. Richa Manoj Goyal, *Chairperson*;
2. Nareshkumar Ramjibhai Patel; and
3. Chetankumar Chhaganlal Vaghasia.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 24, 2018 and re-constituted on April 28, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference are as follows:

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;

- (a) Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards 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;
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

*(iv) Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

1. Richa Manoj Goyal, *Chairperson*;
2. Nareshkumar Ramjibhai Patel; and
3. Chetankumar Chhaganlal Vaghasia.

The Company Secretary shall act as the secretary to the committee.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 24, 2018 and re-constituted on April 28, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company are as follows:

- (i) To recommend the policy on Corporate Social Responsibility ("CSR Policy"); and
- (ii) Implementation of the CSR projects or programs to be undertaken by the Company as per the CSR policy for consideration and approval by the Board.

*(v) IPO Committee*

The members of the IPO Committee are:

1. Nareshkumar Ramjibhai Patel, *Chairperson*;
2. Chetankumar Chhaganlal Vagharia; and
3. Virendra Nath Mishra.

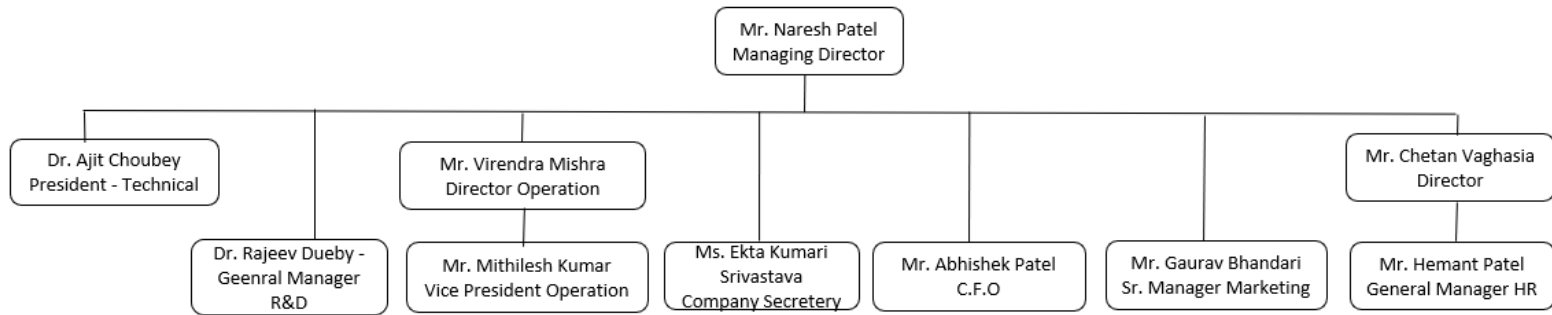
The IPO Committee was constituted by our Board of Directors at their meeting held on May 24, 2018 and re-constituted on April 28, 2021. The terms of reference are as follows:

- (a) To take on record the number of Equity Shares proposed to be offered by the Selling Shareholders, and to decide, along with the Selling Shareholders, in consultation with the book running lead manager(s) appointed in relation to the Offer;
- (b) To decide, negotiate and finalize, in consultation with the with the Selling Shareholders and with the BRLMs, on the size, timing (including opening and closing dates), pricing and all the terms and conditions of the Offer and transfer of the Equity Shares pursuant to the Offer, including without limitation the number of the Equity Shares to be issued or offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of any oversubscription), price and any discount as allowed under applicable laws that may be fixed, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, any rounding off in the event of any oversubscription, to permit existing shareholders to sell any Equity Shares held by them, determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;
- (c) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
- (d) To appoint, instruct and enter into arrangements with the BRLMs and in consultation with BRLMs, appoint and enter into agreements with intermediaries, including underwriters to the Offer, syndicate members to the Offer, brokers, escrow collection banks, bankers to the Offer, sponsor bank, auditors, independent chartered accountants, monitoring agency, industry expert, depositories, custodians, registrar(s) to the Offer, legal advisors, advertising agency(ies), printers and any other agencies or persons or intermediaries (including any replacements thereof) to the Offer and to negotiate and finalise the terms of their appointment, including but not limited to execution of the engagement letter with the BRLMs, negotiation, finalisation and execution of the offer agreement with the BRLMs and Selling Shareholders, etc and the underwriting agreement with the underwriters;
- (e) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, share escrow agreement, monitoring agency agreement, agreements with the registrar to the Offer and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (f) To approve the relevant restated financial statements to be issued in connection with the Offer;
- (g) To finalise, settle, approve and adopt the DRHP, the RHP, the Prospectus, the abridged prospectus and application forms, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, for the issue of Equity Shares and take all such actions in consultation with the BRLMs as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;
- (h) To make applications to, seek clarifications and obtain approvals and seek exemptions from, if necessary, the Stock Exchanges, the RBI, the SEBI, the relevant RoC or any other statutory or governmental authorities in connection with the Offer as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the Prospectus;

- (i) To approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the listing agreement to be entered into by the Company with the relevant stock exchanges;
- (j) To undertake as appropriate such communication with the Selling Shareholders as required under applicable law, including inviting the existing members of the Company to participate in the Offer by making an offer for sale in relation to such number of Equity Shares held by them as may be deemed appropriate, and which are eligible for the Offer for Sale in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and taking all actions as may be necessary or authorized in connection with any Offer for Sale;
- (k) To take all actions as may be necessary and authorised in connection with the Offer for Sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer for Sale and the transfer of Equity Shares in the Offer for Sale;
- (l) To issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act, 2013, as amended and other applicable law;
- (m) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;
- (n) To seek, if required, the consent and waivers of the lenders to the Company and its subsidiaries, parties with whom the Company has entered into various commercial and other agreements including without limitation industry data providers, customers, suppliers, strategic partners of the Company, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- (o) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Offer and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (p) To determine the amount, the number of Equity Shares, terms of the issue of the equity shares, the categories of investors for the Pre-IPO Placement, if any including the execution of the relevant documents with the investors , in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;
- (q) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (r) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and the selling shareholders (to the extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;
- (s) all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;
- (t) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the Selling Shareholders and BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;

- (u) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying Equity Shares and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (v) To make applications for listing of the Equity Shares on one or more recognised stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements;
- (w) To do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (x) To authorize and approve, in consultation with the BRLMs, the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- (y) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- (z) To accept and appropriate the proceeds of the Offer;
- (aa) To settle any question, difficulty or doubt that may arise in connection with the Offer including the issue and allotment of the Equity Shares as aforesaid in consultation with the BRLMs and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit;
- (bb) To execute and deliver and/or to authorize and empower officers of the Company (each, an “**Authorized Officer**”) for and on behalf of the Company to execute and deliver, any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee and/or Authorised Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee and/or Authorised Officer shall be conclusive evidence of the authority of the IPO Committee and/or Authorised Officer and Company in so doing.
- (cc) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with Applicable Laws.
- (dd) To submit undertakings/certificates or provide clarifications to the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed.”

## MANAGEMENT ORGANIZATION CHART



## KEY MANAGERIAL PERSONNEL

The details of the Key Managerial Personnel of our Company as follows:

**Nareshkumar Ramjibhai Patel** is the Executive Chairman and Managing Director of our Company. For details see, “*Our Management – Brief Biographies of Directors*” on page 184.

**Chetankumar Chhaganlal Vaghasia** is the Whole-time Director of the Company. For details see, “*Our Management – Brief Biographies of Directors*” on page 184.

**Virendra Nath Mishra** is the Whole-time Director of the Company. For details see, “*Our Management – Brief Biographies of Directors*” on page 184.

**Abhishek Haribhai Patel** is the Chief Financial Officer of our Company and was appointed by our Company on June 1, 2018. He holds a Bachelor of Engineering degree from the Sardar Patel University and a Master of Business Administration degree from the ICFAI University. Prior to joining our Company, he was associated with Abhiket Financial Services Private Limited as the Managing Director, Adventity Global Services Private Limited as an Analyst, Business Research, with Kemrock Industries and Exports Limited as Assistant Manager – Finance and with Anil Limited as Manager – Finance. The remuneration paid to him in Fiscal 2021 was ₹ 2.46 million.

**Ekta Kumari Srivastava** is the Company Secretary and Compliance Officer of our Company and was appointed by our Company on February 22, 2021. She holds a Bachelor of Commerce degree from Patna University. She is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Saraswati Commercial (India) Limited, Chemcrux Enterprises Limited as a company secretary and compliance officer and Tarapur Transformers Limited as a company secretary. The remuneration paid to her in Fiscal 2021 was ₹ 0.07 million.

**Ajit Kumar Choubey** is the President- Technical and joined our Company on November 20, 2009. He holds a Doctor of Philosophy degree in Chemistry from the Vikram University, Ujjain. Prior to joining our Company, he was associated with IPCA Laboratories Limited, Ratlam as Senior Manager- Technical. The remuneration paid to him in Fiscal 2021 was ₹ 4.98 million.

**Gaurav Pravin Bhandari** is the Senior Manager- Marketing of our Company joined our Company on April 14, 2015. He holds a Bachelor of Technology (Bioinformatics) from the Padmashree Dr. D.Y. Patil University and Post Graduate Diploma in Management from the Institute for Technology and Management- Business School. Prior to joining our Company, he was associated with Go Zoop Online Private Limited as an Online Marketing Consultant and Account Manager and Social PR Outsourcing Private Limited as Account Supervisor. The remuneration paid to him in Fiscal 2021 was ₹ 1.91 million.

**Hemantkumar Mahendrabhai Patel** is the General Manager- Human Resource Department of our Company and was appointed by our Company on June 10, 2019. He holds a Master of Labour Management degree from the Madurai Kamraj University and a Post Graduate diploma in Personnel Management and Industrial Relations from the Management Studies Promotion. Prior to joining our Company, he was associated with Arkray Healthcare Private Limited, Neesa Group, Surya Palace Hotel, and LCC Infotech Limited as Manager- Human Resources and/or Administration. Further, he was also employed in the human resources and administration departments in Pakona Engineers (I) Private Limited, Aptech Limited, Neesa Infrastructure (I) Private Limited, and WelcomHotel Vadodara. The remuneration paid to him in Fiscal 2021 was ₹ 2.26 million.

**Mithilesh Kumar** is the Vice President- Operations of our Company and joined our Company on July 16, 2018. He holds a Bachelor of Engineering (Chemical Engineering) degree from Visveswaraiah Technological University, Belgaum. Prior to joining our Company, he was associated with Ipca Laboratories Limited as the Senior Manager- Production, Ind-Swift Laboratories Limited as a manager in the production department, Unimark Remedies Limited as Assistant Manager, Regent Drugs Limited as a production officer, and Glenmark Pharmaceuticals Limited as Junior Officer. The remuneration paid to him in Fiscal 2021 was ₹ 3.18 million.

**Rajeev Kumar Dubey** is the General Manager- Research and Development Department of our Company and was appointed by our Company on June 3, 2019. He holds a Bachelor of Science degree from Purvanchal University, Jaunpur, Master of Science (Chemistry) degree from Institute of Advanced Studies in Education University, and a degree of Doctor of Philosophy in Chemistry from Singhania University. Prior to joining our Company, he was associated with SMS Pharmaceuticals Limited as DGM in Process Research and Development Department, Covalent Laboratories Private Limited as Deputy General Manager- Research and Development, Unimark Remedies Limited, Lupin Limited as Research Scientist, Nectar Lifesciences Limited as Assistant



Manager- Research and Development, and Pro-Life Bio-Chemical Industries Private Limited as Production Chemist. The remuneration paid to him in Fiscal 2021 was ₹ 2.92 million.

None of our Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company.

**(a) Shareholding of Key Managerial Personnel**

The shareholding of our Key Managerial Personnel as of the date of filing this Draft Red Herring Prospectus, is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Nareshkumar Ramjibhai Patel	4,003,710	12.71	[●]
2.	Chetankumar Chhaganlal Vaghasia	3,097,500	9.83	[●]
3.	Virendra Nath Mishra	630,000	2.00	[●]
4.	Abhishek Haribhai Patel	Nil	Nil	[●]
5.	Ekta Kumari Srivastava	Nil	Nil	[●]
6.	Ajit Kumar Choubey	Nil	Nil	[●]
7.	Gaurav Pravin Bhandari	Nil	Nil	[●]
8.	Hemantkumar Mahendrabhai Patel	Nil	Nil	[●]
9.	Mithilesh Kumar	Nil	Nil	[●]
10.	Rajeev Kumar Dubey	Nil	Nil	[●]

**(b) Arrangements and understanding with major Shareholders**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

**(c) Bonus or profit-sharing plans**

Other than as disclosed in “Our Management -Bonus or profit sharing plan for the Directors” on page 187, none of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

**(d) Interests of Key Managerial Personnel**

The Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in the Company, if any.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company or Joint Venture on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

**(e) Changes in the Key Managerial Personnel**

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Virendra Nath Mishra	Whole-time Director	April 1, 2021	Appointment as Whole-time Director
Ekta Kumari Srivastava	Company Secretary and Compliance Officer	February 22, 2021	Appointment as Company Secretary and Compliance Officer
Mitali Mukeshchand Chouhan	Company Secretary	February 22, 2021	Resignation from position as Company Secretary
Mitali Mukeshchand Chouhan	Company Secretary	November 9,	Appointment as Company Secretary

Name	Designation	Date of change	Reason for change
		2020	
Vishalkumar Laxmilal Shah	Company Secretary	November 9, 2020	Resignation from position as Company Secretary
Vishalkumar Laxmilal Shah	Company Secretary	February 25, 2020	Appointment as Company Secretary
Alpesh Somjibhai Makwana	Company Secretary and Compliance Officer	June 15, 2019	Resignation from position as Company Secretary and Compliance Officer
Hemantkumar Mahendrabhai Patel	General Manager – Human Resources Department	June 10, 2019	Appointment as General Manager – Human Resources Department
Rajeev Kumar Dubey	General Manager – Research and Development Department	June 3, 2019	Appointment as General Manager – Research and Development Department
Mithilesh Kumar	Vice President – Operations	July 16, 2018	Appointment as Vice President – Operations

***(f) Payment or Benefit to officers of our Company***

No non salary related amount or benefit has been paid or given to any officer of our Company 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 OPTION**

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


## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Nareshkumar Ramjibhai Patel, Chetankumar Chhaganlal Vaghasia, Shital Nareshbhai Patel, and Parul Chetankumar Vaghasia. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 14,976,210 Equity Shares, representing 47.54% of the pre-Offer issued, subscribed, and paid-up capital of our Company, on a fully diluted basis.

For details, please see the section titled “*Capital Structure – Equity Shareholding of our Promoters and Promoter Group*” on page 74.

### INDIVIDUAL PROMOTERS

<p>1) <b>Nareshkumar Ramjibhai Patel</b></p> 	<p><b>Nareshkumar Ramjibhai Patel</b> aged 46 years, is one of our Promoters, and is also the Executive Chairman and Managing Director of our Company.</p> <p><b>Date of Birth:</b> September 20, 1974</p> <p><b>Address:</b> 26, Sai Baba Nagar Soc, Nr Katargam Fire Station, Katargam Surat 395 004 Gujarat, India.</p> <p><b>Permanent Account Number:</b> ABCPP1222C  <b>Aadhar Card Number:</b> 7031 9469 5267  <b>Driving License:</b> GJ05 19910033830</p> <p>For the complete profile of Nareshkumar Ramjibhai Patel, along with details of his educational qualifications, professional experience, position or posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 182.</p>
<p>2) <b>Chetankumar Chhaganlal Vaghasia</b></p> 	<p><b>Chetankumar Chhaganlal Vaghasia</b> aged 47 years, is one of our Promoters, and is also the Whole-time Director of our Company.</p> <p><b>Date of Birth:</b> April 11, 1974</p> <p><b>Address:</b> 202/B, Indraprasth Complex, Opp. Naginawadi, Katargam, Sumul Dairy Road, Surat City 395 004 Gujarat, India</p> <p><b>Permanent Account Number:</b> AANPV1660Q  <b>Aadhar Card Number:</b> 8515 3259 5290  <b>Driving License:</b> GJ05 19900029741</p> <p>For the complete profile of Chetankumar Chhaganlal Vaghasia, along with details of his educational qualifications, professional experience, position or posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 182.</p>
<p>3) <b>Shital Nareshbhai Patel</b></p> 	<p><b>Shital Nareshbhai Patel</b> aged 44 years is one of our Promoters.</p> <p><b>Date of Birth:</b> August 26, 1976  <b>Address:</b> 26, Saibabanagar Society, Katargam, Surat 395 004 Gujarat, India.</p> <p><b>Permanent Account Number:</b> AHVPP3244M  <b>Aadhar Card Number:</b> 7119 2180 2007  <b>Driving License:</b> GJ05 20130043729</p> <p>Shital Nareshbhai Patel completed her HSC (Vocational Stream)- Medical Laboratory Technician, from Yojana Vidyalaya Junior College and holds a Bachelor of Business Administration degree from Manav Bharti University. She is the Manager – Admin of our Company and was appointed by the Company on November 24, 2011. She was a partner in Ami Organics partnership firm when it was originally formed in 2004. She was appointed as a Whole-time Director of our Company with effect from April 24, 2009 and ceased to be a Director on November 23, 2013. She is also a partner at SP Consultancy.</p>
<p>4) <b>Parul Chetankumar Vaghasia</b></p>	<p><b>Parul Chetankumar Vaghasia</b> aged 43 years is one of our Promoters.</p> <p><b>Date of Birth:</b> June 1, 1977</p>

	<p><b>Address:</b> 202/B, Indraprasth Complex, Opp. Naginawadi, Katargam, Sumul Dairy Road, Surat– 395 004 Gujarat, India</p> <p><b>Permanent Account Number:</b> ADFPV2131B  <b>Aadhar Card Number:</b> 8673 4485 9957  <b>Driving License:</b> GJ05/519226/01</p> <p>Parul Chetankumar Vaghasia cleared her Higher Secondary Certificate from Janta Vidyalaya- Jadiya. She is the Manager – Admin of our Company and was appointed by the Company on November 24, 2011. She was a partner in Ami Organics partnership firm when it was originally founded in 2004. She was appointed as a Whole-time Director of our Company with effect from April 24, 2009 and ceased to be a Director on November 23, 2013. She is also a partner at SP Consultancy.</p>
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Our Company confirms that the permanent account number, bank account number, and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

## INTERESTS OF OUR PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, managerial remuneration drawn by them, and any other distributions in respect of the Equity Shares held by them. For details of Equity Shares held by our Promoter, see “*Capital Structure-Notes to Capital Structure*” on page 69. Further, two of our Promoters, Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia, are also interested in our Company in their capacity as the Executive Chairman and Managing Director and Whole-time Director respectively. For further details, see “*Our Management*” on page 182.

Except as mentioned in this section and sections titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Related Party Transactions*” on pages 146, 176, 182 and 259, respectively, our Promoters do not have any other interest in our Company.

Except as disclosed below, our Company has not entered into any contract, agreements or arrangements in which our Promoters or members of our Promoter Group are directly or indirectly interested, and no amount or benefit has been paid or given to our Promoters or members of our Promoter Group in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Our Company has entered into an agreement to sale dated November 28, 2020 (“**Sale Agreement**”) with Chetankumar Chhaganlal Vaghasia, and Shital Nareshbhai Patel for purchase of land situated at Block No, 97, Surat District, Sub-District Surat, Village Kosmandi, Tal Kamrej, upon satisfaction of certain conditions precedent as specified in the Sale Agreement. The total consideration for which the land is agreed to be purchased is ₹ 130.50 million and part payment of ₹108.00 million has already been made.

Our Company entered into an agreement of leasehold rights transfer dated September 12, 2018 (“**Lease Rights Agreement**”) with Shivay Enterprises Limited, a firm in which our Promoters, Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia were partners, for the acquisition of leasehold rights over land and building situated at Shed No. C1/469, GIDC, Sachin, Surat admeasuring 703 square meters. A total consideration of ₹3.00 million paid by our Company pursuant to the Lease Rights Agreement. Our Promoters have disassociated from Shivay Enterprises on account of its dissolution on February 20, 2020.

Except as disclosed above, our Promoters are not interested in any property acquired, or proposed to be acquired by our Company within three years of the date of filing this Draft Red Herring Prospectus with SEBI, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

## PAYMENT OR BENEFITS TO PROMOTER OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the sections “*Related Party Transactions*” on page 259 and “*Our Management*” on page 182, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing 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.

## COMMON PURSUITS

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when they arise.

## COMPANIES OR FIRMS WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS

Except as disclosed below, our Promoters have not disassociated themselves from any company during the last three years preceding the date of this Draft Red Herring Prospectus.

S. No.	Name of the Company	Name of Promoter(s)	Date of disassociation	Reasons for disassociation
1.	Shivay Enterprises	Nareshkumar Ramjibhai Patel, and Chetankumar Chhaganlal Vagharia	February 20, 2020	Dissolution of the partnership firm
2.	Ami Lifesciences Private Limited	Nareshkumar Ramjibhai Patel	March 31, 2021	Resignation as director
3.	Adzapier India Private Limited	Nareshkumar Ramjibhai Patel	May 15, 2021	Transfer of entire shareholding (50% of the total share capital) in the entity

## CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Except as disclosed below, there has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Pursuant to the business separation agreement dated March 31, 2021, Girishkumar Limbabbhai Chovatia ceased to be a Promoter of our Company with effect from March 31, 2021 and his immediate family members and related companies/entities ceased to be the members of the Promoter Group of our Company.

## OTHER CONFIRMATIONS

Our Promoters are not wilful defaulter as defined under the SEBI ICDR Regulations.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past, a promoter or a director of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Our Promoters are not fugitive economic offenders.

## PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

*(a) Natural persons who are part of the Promoter Group*

Sr. No	Name of the Promoter	Name of member of Promoter Group	Relationship with the Promoter
1.	Nareshkumar Ramjibhai Patel	Ramjibhai Limbabhai Patel	Father
		Arunaben Ramjibhai Patel	Mother
		Shital Nareshbhai Patel	Spouse
		Zumbesh Ramjibhai Patel	Brothers
		Sanket Ramjibhai Patel	
		Jainul Nareshkumar Vaghasia	Sons
		Krushang Nareshkumar Vaghasia	
		Vijaybhai Gordhanbhai Dayani	Spouse's father
		Minaben Vijaybhai Dayani	Spouse's mother
2.	Chetankumar Chhaganlal Vaghasia	Hirenkumar Vijaybhai Dayani	Spouse's brother
		Chhaganlal Ramjibhai Vaghasia	Father
		Bhanuben Chhaganlal Vaghasia	Mother
		Parul Chetankumar Vaghasia	Spouse
		Mukeshkumar Chhaganlal Vaghasia	Brother
		Adhyan Chetankumar Vaghasia	Sons
		Nairit Chetankumar Vaghasia	
		Bhikhabhai Rajabhai Gevaria	Spouse's father
		Shardaben Bhikhabhai Gevaria	Spouse's mother
		Nilesh Bhikhabhai Gevaria	Spouse's brother
		Nitaben Jigneshkumar Dudhat	Spouse's sisters
		Smita Sanjaykumar Thummer	
3.	Shital Nareshbhai Patel	Minal Vipulkumar Rakholiya	
		Vijaybhai Gordhanbhai Dayani	Father
		Minaben Vijaybhai Dayani	Mother
		Nareshkumar Ramjibhai Patel	Spouse
		Hirenkumar Vijaybhai Dayani	Brother
		Jainul Nareshkumar Patel	Sons
		Krushang Nareshkumar Patel	
		Ramjibhai Limbabhai Patel	Spouse's father
		Arunaben Ramjibhai Patel	Spouse's mother
		Zumbesh Ramjibhai Patel	Spouse's brothers
4.	Parul Chetankumar Vaghasia	Sanket Ramjibhai Patel	
		Bhikhabhai Rajabhai Gevaria	Father
		Shardaben Bhikhabhai Gevaria	Mother
		Chetankumar Chhaganlal Vaghasia	Spouse
		Nilesh Bhikhabhai Gevaria	Brother
		Nitaben Jigneshkumar Dudhat	Sister
		Smita Sanjaykumar Thummer	
		Minal Vipulkumar Rakholiya	
		Adhyan Chetankumar Vaghasia	Sons
		Narit Chetankumar Vaghasia	
		Chagganlal Ramjibhai Vaghasia	Spouse's father
		Bhanuben Chhaganlal Vaghasia	Spouse's mother
		Mukeshkumar Chhaganlal Vaghasia	Spouse's brother

(b) **Bodies corporates, HUFs, or Firms forming part of the Promoter Group**

The entities forming part of our Promoter Group are as follows:

1. Alkoxide Fine Chem Private Limited;
2. Ami Oncotheranostics Private Limited\*;
3. Ami Procure Private Limited;
4. Globe Bio Care;
5. Hare Krishna Bath Fittings LLP;
6. Hare Krishna Impex;
7. Radha Krishna Textile;
8. Rahil Infrastructure LLP;
9. Religen Inc; and
10. SP Consultancy.

\*Application in Form STK-2 has been filed for striking off the name of Ami Oncotheranostics Private Limited

The Hindu Undivided Families forming part of our Promoter Group are as follows:

1. Chaggan Ramjibhai Vaghasia (HUF);
2. Chetan C Vaghasia HUF;
3. Naresh R Patel HUF;
4. Sanjaykumar Thummar (HUF); and
5. Vipulkumar F Rakholiya (HUF).

## GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoters and subsidiaries, if any) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as group companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Draft Red Herring Prospectus if it is a member of the Promoter Group and has entered into one or more transactions with the Company during the period for which financial information is disclosed in this Draft Red Herring Prospectus (Fiscal 2021, Fiscal 2020 and Fiscal 2019) and individually or in the aggregate, exceed 10% of the total consolidated restated revenue of our Company for the most recent completed Fiscal .

Based on the above, Ami Lifesciences Private Limited is our Group Company:

### Details of our Group Company

The details of our Group Company are provided below:

#### Ami Lifesciences Private Limited

##### *Corporate Information*

Ami Lifesciences Private Limited was incorporated as a private limited company under the Companies Act, 1956 as Sun Scope Laboratories Private Limited on March 2, 1994. The name of the company was changed to Ami Lifesciences Private Limited with effect from June 13, 2006. Its CIN is U24110GJ1994PTC021470 and its registered office is located at 2<sup>nd</sup> Floor Prestige Plaza, 40, Urmi Society, near. Urmi Cross Road, Vadodara Gujarat, India.

##### *Nature of activities*

It is authorised under its memorandum of association to engage in the business of manufacture, import, export, buy sell, supply, distribute, store stock, maintain and otherwise handle, deal in and carry on business in all kinds and varieties of chemicals, nutritional food products, mixtures, powders, vitamins, extracts, oils, compounds, tinctures, broths, restoratives, chemicals, essences, flavourings, sera, immunogens phylacogens, perfumes and disinfectants, prescriptions, formulas, heavy chemicals, alkalies, acids, tannins, mineral and other waters, photographic chemicals, sizings, pigments, varnishes, dye-stuffs, organic or mineral intermediates, distillers and in general all types of products allied to its business.

Ami Lifesciences Private Limited is currently engaged in the business manufacture and selling of bulk drugs and active pharmaceuticals ingredients (API).

##### *Financial information*

The financial information derived from the audited financial statements of Ami Lifesciences Private Limited for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

Particulars	For the Fiscals		
	2020	2019	2018
Equity capital	123.53	100.00	100.00
Reserves and surplus (excluding revaluation reserves)	2,938.99	878.11	694.17
Sales	3,954.70	2,828.34	2,288.24
Profit/(loss) after tax	509.30	262.34	193.82
Earnings / (Loss) per share (face value ₹ 10) (Basic)	49.25	26.23	19.38
Earnings per share (face value ₹ 10) (Diluted)	49.25	26.23	19.38
Net asset value	3,062.52	978.11	794.17



Particulars	For the Fiscals		
	2020	2019	2018
Net asset value per share	247.92	97.81	79.42

There are no significant notes of the auditors of Ami Lifesciences Private Limited, in relation to the aforementioned financial statements for the last three financial years.

## **Nature and extent of interest of Group Company**

### ***In the promotion of our Company***

Our Group Company has no 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***

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

### ***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc by our Company.

## **Common pursuits among the Group Company and our Company**

Ami Lifesciences Private Limited is carrying out businesses in pharma sector (the same being distinct from the business being undertaken by our Company).

For risks relating to a potential conflict of interest, please refer to “*Risk Factors-Although our Group Company is undertaking different businesses in the pharma sector, the charter documents of our Group Company has objects similar to the objects of our Company, which may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial conditions and results of operations*” on page 40.

## **Related Business Transactions within our Group Company and significance on the financial performance of our Company**

Except as disclosed in “*Restated Consolidated Financial Statements*” on page 210, there are no related business transactions with the Group Company.

## **Litigation**

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Company which will have a material impact on our Company.

## **Business interest of Group Company**

Except in the ordinary course of business and as stated in “*Restated Consolidated Financial Statements*” on page 210, none of our Group Companies have any business interest in our Company.

## **Defunct Group Company**

Our Group Company is not defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Company during the five years preceding the date of this Draft Red Herring Prospectus.

## **Sick company/winding up/insolvency proceedings**

As on the date of this Draft Red Herring Prospectus, our Group Company has not been declared sick or defunct within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, and has not been

referred to the National Company Law Tribunal, and is not under the corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016, as amended.

**Loss making Group Companies**

Our Group Company has not incurred losses in the last audited financial year:

**Confirmations**

Our Group Company does not have any securities listed on a stock exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

Further, neither have any of the securities of our Company or any our Group Company been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Company failed to meet the listing requirements of any stock exchanges in India or abroad.

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants in financing arrangements and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

In addition, our ability to pay dividends may be impacted by a number of factors, including but not limited to restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into, to finance our fund requirements for our business activities. For details, see section “*Financial Indebtedness*” on page 298.

Our Company has not declared dividends on Equity Shares in the current Fiscal and the last three Fiscals.

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid, or the amount thereof will be decreased in the future. For details, see “*Risk Factors –Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*” on page 45.

**SECTION V – FINANCIAL INFORMATION**  
**RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors  
**AMI Organics Limited**  
Plot No. 440/4, 5 & 6  
Road No. 82/A, GIDC Sachin  
Surat – 394 230  
Gujarat

Dear Sirs,

- 1) We have examined, the attached Restated Consolidated Financial Information of AMI Organic Limited Organics Limited (the “**Company**” or the “**Holding Company**” or the “**Issuer**”) and its joint venture (the Holding Company and the joint venture are together referred to as the “**Group**”) comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies, and other explanatory information (collectively, the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on May 7, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (“**DRHP**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the “**Act**”);
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
  - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
- 2) The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (“**SEBI**”), the stock exchanges where the equity shares of the Company are proposed to be listed i.e. BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE the “**Stock Exchanges**”) and the Registrar of Companies, Gujarat, at Ahmedabad (“**RoC**”), in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 3.01 of Annexure V to the Restated Consolidated Financial Information.

The respective Board of Directors of the companies included in the Group responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

- 3) We have examined such Restated Consolidated Financial Information taking into consideration:
- (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 27, 2021 in connection with the proposed IPO of equity shares of the Company;
  - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - (d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

- 4) These Restated Consolidated Financial Information have been compiled by the management from:
- (a) Audited Consolidated financial statements of the Group as at and for year ended March 31, 2021 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, which have been approved by the Board of Directors at their meeting held on May 07, 2021.
  - (b) Audited Consolidated financial statements of the Group as at and for year ended March 31, 2020 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, which have been approved by the Board of Directors at their meeting held on September 17, 2020.
  - (c) Audited Consolidated financial statements of the Group as at and for year ended March 31, 2019 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, which have been approved by the Board of Directors at their meeting held on August 27, 2019.
- 5) For the purpose of our examination, we have relied on:
- (a) Auditors' reports issued by us dated May 07, 2021 , September 17, 2020 and August 27, 2019 on the consolidated financial statements of the Group as at and for the year ended March 31, 2021, as at and for the year ended March 31, 2020 and as at and for the year ended March 31, 2019 as referred in Paragraph 4 (a) , (b) and (c) above;

- (b) The auditor's report on the Audited Financial Statements of the Group as at and for the year ended March 31, 2021 includes the following Emphasis of Matter paragraph:

We draw attention to Note 56 to the accompanying financial statements, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations and other related matters.

(Also Refer Note 55 of Restated Consolidated Financial Statements)

Our opinion is not modified in respect of this matter.

- (c) The auditor's report on the Audited Financial Statements of the Group as at and for the year ended March 31, 2021 includes point 2. of Note 12 & Note 56 of Restated Consolidated Financial Statements as other Matter paragraph:

Our opinion is not modified in respect of this matter.

- 6) Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- I. have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2021;
  - II. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and
  - III. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
- 7) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

- 10) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock exchanges and RoC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Maheshwari & Co.**  
**Chartered Accountants**  
**FRN: 105834W**

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**  
**UDIN: 21144734AAAAACL3998**

**Place: Mumbai**  
**Date: May 7, 2021**



Annexure - I Restated Consolidated Statement of Assets and Liabilities

Amount in millions

Particulars	Note No.	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	4a	1,606.05	621.83	576.66
Capital Work-In-Progress	4b	2.00	117.07	19.63
Other Intangible Assets	4c	257.01	230.08	211.11
Financial Assets				
(i) Investments	5	14.29	17.31	16.44
(ii) Other Financial Assets	6	27.06	29.55	23.00
(iii) Other Non-Current Assets	7	63.96	92.71	43.72
<b>Total Non-Current Assets</b>		<b>1,970.37</b>	<b>1,108.55</b>	<b>890.56</b>
<b>Current Assets</b>				
Inventories	8	603.63	523.42	386.69
Financial Assets				
(i) Trade Receivables	9	1,206.91	564.03	760.87
(ii) Cash and Cash Equivalents	10	26.85	38.22	4.94
(iii) Loans	11	3.34	2.77	1.79
Current Tax Assets(Net)		-	22.37	-
Other Current Assets	12	321.58	59.57	86.68
<b>Total Current Assets</b>		<b>2,162.31</b>	<b>1,210.37</b>	<b>1,240.97</b>
<b>Total Assets</b>		<b>4,132.68</b>	<b>2,318.92</b>	<b>2,131.52</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	13	315.00	105.00	105.00
b) Other Equity	14	1,354.33	1,013.14	717.20
<b>Total Equity</b>		<b>1,669.33</b>	<b>1,118.14</b>	<b>822.20</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	15	726.44	199.01	221.00
Provisions	16	43.68	24.38	11.37
Deferred Tax Liabilities (Net)	17	32.78	31.25	21.36
<b>Total Non-Current Liabilities</b>		<b>802.91</b>	<b>254.63</b>	<b>253.72</b>
<b>Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	18	445.31	339.24	261.45
(ii) Trade Payables				
A.Total outstanding dues of micro enterprises and small enterprises	19	3.90	0.81	52.81
B.Total outstanding dues of other than micro enterprises and small enterprises		840.56	513.66	631.08
(iii) Other financial liabilities	20	197.89	72.02	80.79
Other Current Liabilities	21	151.60	16.38	24.39
Provisions	22	9.66	4.05	4.19
Current Tax Liability (Net)	23	11.52	-	0.89
<b>Total Current Liabilities</b>		<b>1,660.44</b>	<b>946.15</b>	<b>1,055.60</b>
<b>Total Liabilities</b>		<b>2,463.35</b>	<b>1,200.79</b>	<b>1,309.32</b>
<b>Total Equity and Liabilities</b>		<b>4,132.68</b>	<b>2,318.92</b>	<b>2,131.52</b>

The above Statement should be read with the Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated Statements, Annexure VI- Notes to Restated Statements, and Annexure VII Statement of Restatement Adjustments to Audited Financial Statements

As per our report of even date attached

**For Maheshwari & Co.**

Chartered Accountants  
FRN 105834W

**For and on behalf of the Board of Directors of Ami Organics Limited**

**Pawan Gattani**  
Partner  
Membership No.: 144734

**Chetankumar C. Vaghasia**  
Whole Time Director  
(DIN-01375540)

**Nareshbhai R. Patel**  
Chairman & Managing Dire  
(DIN-00906232)

Place: Mumbai  
Date: 7th May, 2021

Place: Surat  
Date: 7th May, 2021

**Ekta Kumari**  
Company Secretary  
A - 27323

**Abhishek Patel**  
Chief Financial Officer  
(Pan-AKNPP5102F)

**Annexure - II Restated Consolidated Statement of Profit and Loss**

Amount in millions

Particulars	Note No.	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Revenue from operations	24	3,406.08	2,396.43	2,385.12
Other income	25	13.80	28.44	3.84
<b>Total Revenue (A)</b>		<b>3,419.88</b>	<b>2,424.86</b>	<b>2,388.96</b>
<b>Expenses</b>				
Cost of raw materials consumed	26	1,746.87	1,378.99	1,520.52
Changes in inventories of finished goods/traded goods and work-in-progress	27	48.14	(89.86)	(36.21)
Employee benefits expense	28	210.08	178.14	117.48
Finance costs	29	56.18	55.87	47.53
Depreciation and amortisation expense	4	41.88	35.18	26.00
Other expenses	30	599.47	519.00	362.54
<b>Total expenses (B)</b>		<b>2,702.61</b>	<b>2,077.32</b>	<b>2,037.85</b>
<b>Profit before tax</b>		<b>717.26</b>	<b>347.54</b>	<b>351.10</b>
Tax expense:				
- Current tax		175.64	67.98	96.92
- Deferred tax		1.63	4.86	21.23
		<b>177.27</b>	<b>72.84</b>	<b>118.15</b>
<b>Profit for the year</b>		<b>539.99</b>	<b>274.70</b>	<b>232.95</b>
<b>Other Comprehensive Income/(Loss)</b>				
<b>Items that may be reclassified to statement of profit and loss</b>				
Exchange difference on translation on Foreign Entity		(8.52)	27.52	13.11
<b>Items that will not be reclassified to statement of profit and loss</b>				
Remeasurement of defined employee benefit plans		(0.37)	(8.39)	1.53
Tax impact of items that will not be reclassified to statement of profit and loss		0.09	2.11	(0.45)
<b>Total comprehensive income for the year</b>		<b>531.19</b>	<b>295.94</b>	<b>247.15</b>
<b>Earnings per equity share</b>				
(1) Basic		17.14	8.72	7.40
(2) Diluted		17.14	8.72	7.40
Nominal value of equity shares		10.00	10.00	10.00
The above Statement should be read with the Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated Statements, Annexure VI- Notes to Restated Statements, and Annexure VII Statement of Restatement Adjustments to Audited Financial Statements				

As per our report of even date attached

**For Maheshwari & Co.**  
Chartered Accountants  
FRN 105834W

**For and on behalf of the Board of Directors of Ami Organics**

**Pawan Gattani**  
Partner  
Membership No.: 144734

**Chetankumar C. Vaghasia**  
Whole Time Director  
(DIN-01375540)

**Nareshbhai R. Patel**  
Chairman & Managing Director  
(DIN-00906232)

Place: Mumbai  
Date: 7th May, 2021

Place: Surat  
Date: 7th May, 2021

**Ekta Kumari**  
Company Secretary  
A - 27323

**Abhishek Patel**  
Chief Financial Officer  
(Pan-AKNPP5102F)

Annexure - III Restated Consolidated Statement of Changes in Equity

Amount in millions

A Equity Share Capital

Particulars	Amount (Rs.)
Balance as at 31 March 2018	15.00
Changes in Equity Share Capital during the year	90.00
Balance as at 31 March 2019	105.00
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2020	105.00
Changes in Equity Share Capital during the year	210.00
Balance as at 31 March 2021	315.00

B Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total (Rs.)
	Securities Premium (Rs.)	General Reserve (Rs.)	Capital Reserve	Retained Earnings (Rs.)	Equity instrument fair value (Rs.)	Actuarial gains and losses (Rs.)	
Balance at 31 March 2018	-	-	-	565.17	(2.29)	(2.83)	560.05
Profit for the year	-	-	-	232.95	-	-	232.95
Issue of Bonus Shares	-	-	-	(90.00)	-	-	(90.00)
Other Comprehensive Income for the year	-	-	-	-	13.11	1.53	14.64
Tax impact of items not classified to statement of profit and loss	-	-	-	-	-	(0.45)	(0.45)
Balance at 31 March 2019	-	-	-	708.12	10.82	(1.75)	717.20
Profit for the year	-	-	-	274.70	-	-	274.70
Other Comprehensive Income for the year	-	-	-	-	27.52	(8.39)	19.13
Tax impact of items not classified to statement of profit and loss	-	-	-	-	-	2.11	2.11
Balance at 31 March 2020	-	-	-	982.82	38.34	(8.02)	1,013.14
Profit for the year	-	-	-	539.99	-	-	539.99
Issue of Bonus Shares	-	-	-	(210.00)	-	-	(210.00)
Capital Reserve on Acquisition	-	-	20.00	-	-	-	20.00
Other Comprehensive Income for the year	-	-	-	-	(8.52)	(0.37)	(8.89)
Tax impact of items not classified to statement of profit and loss	-	-	-	-	-	0.09	0.09
Balance at 31 March 2021	-	-	20.00	1,312.81	29.82	(8.30)	1,354.33

The above Statement should be read with the Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated Statements, Annexure VI- Notes to Restated Statements, and Annexure VII Statement of Restatement Adjustments to Audited Financial Statements

As per our report of even date attached

For Maheshwari & Co.

Chartered Accountants  
FRN 105834W

For and on behalf of the Board of directors of Ami organics Limited

Pawan Gattani

Partner  
Membership No.: 144734

Chetankumar C. Vaghasia

Whole Time Director  
(DIN-01375540)

Nareshbhai R. Patel

Chairman & Managing Director  
(DIN-00906232)

Place: Mumbai  
Date: 7th May, 2021

Place: Surat  
Date: 7th May, 2021

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Ekta Kumari  
Company Secretary  
A - 27323

Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)

Annexure - IV Restated Consolidated Statement of Cash flows

Amount in millions

Particulars		Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Cash flow from/(used in) operating activities</b>				
Profit before tax		717.26	347.54	351.10
<b>Adjustment for:</b>				
Interest expense		51.08	53.22	44.49
Interest income		(1.95)	(0.94)	(0.68)
Depreciation and amortization		41.88	35.18	26.00
Unrealised exchange difference (net)		(2.13)	(12.60)	(9.70)
(Profit)/Loss from sale of Property, plant and equipment		0.18	7.70	-
Exchange Fluctuation on change on equity instruments		(8.52)	27.52	13.11
Remeasurement of defined employee benefit plans		(0.37)	(8.39)	1.53
<b>Operating Profit Before Working Capital Changes</b>		<b>797.42</b>	<b>449.22</b>	<b>425.86</b>
<b>Movement in working capital:</b>				
(Increase)/decrease in trade receivables		(641.70)	211.01	(244.02)
(Increase)/decrease in inventories		(80.21)	(136.73)	(112.80)
(Increase)/decrease in loans		(0.57)	(0.98)	(1.27)
(Increase)/decrease in other financial Assets		2.49	(6.56)	(5.78)
(Increase)/decrease in other Current Assets		(155.32)	5.05	(11.20)
Increase/(decrease) in trade payables		330.95	(170.99)	226.87
Increase/(decrease) in other current liabilities		135.22	(8.02)	3.56
Increase/(decrease) in provision		24.92	12.87	4.80
<b>Cash generated/(used) in operations</b>		<b>413.21</b>	<b>354.88</b>	<b>286.04</b>
Income taxes paid		(141.75)	(84.10)	(137.65)
<b>Net Cash flow from operating activities</b>	<b>(A)</b>	<b>271.45</b>	<b>270.77</b>	<b>148.38</b>
<b>Cash flow from/(used) investing activities</b>				
Payments Property, plant and equipment, (Including Capital WIP & Intangible Assets)		(1,065.78)	(216.06)	(213.88)
Interest received		1.95	0.94	0.68
Proceeds from sale of Property, plant and equipment (Including Capital WIP & Intangible Assets)		25.37	2.79	-
(Increase)/decrease in fixed deposit with bank		-	-	2.62
(Increase)/decrease in Investment		34.56	(27.11)	1.88
<b>Cash generated/(used) in investing activities</b>	<b>(B)</b>	<b>(1,003.90)</b>	<b>(239.44)</b>	<b>(208.70)</b>
<b>Cash flow from/(used in) financing activities</b>				
Proceed /(repayment) of borrowings (net)		772.16	55.15	100.72
Interest paid		(51.08)	(53.22)	(44.49)
<b>Cash generated/(used) in financing activities</b>	<b>(C)</b>	<b>721.08</b>	<b>1.94</b>	<b>56.22</b>
Effect of Exchange differences on translation of foreign currency cash and cash equivalents	<b>(D)</b>	<b>0.01</b>	<b>-</b>	<b>(0.01)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C-D)</b>	<b>(11.37)</b>	<b>33.27</b>	<b>(4.09)</b>
Cash and cash equivalent at beginning of year		38.22	4.94	9.03
Cash and cash equivalent at end of year		26.85	38.22	4.94
<b>Net increase/(decrease) as disclosed above</b>		<b>(11.37)</b>	<b>33.27</b>	<b>(4.09)</b>
The above Statement should be read with the Annexure V- Significant accounting policies and explanatory notes to Restated Consolidated Statements, Annexure VI- Notes to Restated Statements, and Annexure VII Statement of Restatement Adjustments to Audited Financial Statements				

**For Maheshwari & Co.**  
Chartered Accountants  
FRN 105834W

**For and on behalf of the Board of directors of Ami organics Limited**

**Pawan Gattani**  
Partner  
Membership No.: 144734

**Chetankumar C. Vaghasia**  
Whole Time Director  
(DIN-01375540)

**Nareshbhai R. Patel**  
Chairman & Managing Director  
(DIN-00906232)

Place: Mumbai  
Date: 7th May, 2021

Place: Surat  
Date: 7th May, 2021

**Ekta Kumari**  
Company Secretary  
A - 27323

**Abhishek Patel**  
Chief Financial Officer  
(Pan-AKNPP5102F)

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**1 Company overview**

Ami Organics Limited (hereinafter referred to as "the Holding Company") and "AMI ONCO-THERANOSTICS, LLC" its jointly controlled entity (the Holding Company and its Jointly Controlled Entity together referred to as "Group"). Ami Organics Limited was originally formed as a partnership firm under the Partnership Act, 1932 in the name of "Ami Organics" pursuant to a deed of partnership dated January 3, 2004 with Promoters, among others, as partners. "Ami Organics" was then converted into private limited company under part IX of the Companies Act, 1956 under the name of "Ami Organics Private Limited" vide certificate of incorporation dated June 12, 2007 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to a resolution passed by our shareholders on April 5, 2018, Company was converted into a public limited company, following which Company's name was changed to "Ami Organics Limited", and a fresh certificate of incorporation was issued on April 18, 2018 having its registered office at Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat GJ 394230. The Company is engaged in business of drugs intermediate chemicals and related activities.

**2 Significant accounting policies**

**Statement of compliance**

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on May 07, 2021.

**3.01 Basis of preparation of financial statements**

**Basis of consolidation**

**Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the Proportionate consolidation. Proportionate consolidation is a method of accounting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

The Group discontinues the use of the proportionate consolidation method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- Biological assets – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

These Restated Consolidated Financial Statements have been prepared by the Management for the purpose of preparation of the restated financial statements as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ("SEBI") on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed initial public offering of equity shares of face value of Rs.10 each of the Company comprising a fresh issue of equity shares prepared by the Company in terms of the requirements of:(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

The Restated Summary Statements have been compiled from:

- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2021 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, which have been approved by the Board of Directors at their meeting held on May 07, 2021.
- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2020 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, which have been approved by the Board of Directors at their meeting held on September 17, 2020.
- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2019 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, which have been approved by the Board of Directors at their meeting held on August 27, 2019.

The Restated Consolidated Financial Information has been compiled by the Company from the Audited consolidated Financial Statements of the Company and Audited consolidated financial Statements of the Joint Venture company and:

- a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
- b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
- c. Other remarks / comments in the Annexure to the Auditor's report on the financial statements of the Company which do not require any corrective adjustments in the Restated consolidated Financial Information are disclosed in Annexure VII of the Restated consolidated Financial Information;
- d. adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per consolidated financial statements of the Company as at and for the year ended 31 March 2021 prepared under Ind AS and the requirements of the SEBI Regulations, and
- e. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.02 Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

it is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crore, unless otherwise stated.

**3.03 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

**The areas involving critical estimates or judgments are:**

Valuation of financial instruments  
Useful life of property, plant and equipment  
Defined benefit obligation  
Provisions  
Recoverability of trade receivables  
Recognition of revenue and allocation of transaction price  
Current tax expense and current tax payable

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

**Summary of significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**3.04 Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (note 39)

Financial instruments (including those carried at amortised cost) (note 38)



**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.05 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Interest and dividend income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**3.06 Inventories:**

- i) Raw materials - is valued at the lower of cost or net realisable value. The cost is determined on FIFO /specific identification basis.
- ii) Finished goods - valued at the lower of cost or net realisable value. The cost of material is determined on FIFO/specific identification basis.
- iii) Work-in-progress is valued at material cost including appropriate production overhead.
- iv) Stores and spares are valued at the lower of cost or net realisable value. Cost is determined on FIFO basis.

**3.07 Foreign currency transactions and translation**

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) As the Company enters into business transactions based on the prevailing exchange rate, forward premium and other related factors, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.08 Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT)**

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.09 a) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**Subsequent Cost**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

**b) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.

**Depreciation and amortisation**

The depreciation on tangible assets is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

<b>Asset class</b>	<b>Useful life as per management</b>
Plant and machinery:	15 years
Office equipment	5 years
Computers/Servers	3/6 years
Vehicles	8 years
Furniture and fixtures	10 years
Electrical installation	10 years
Office premises	60 years
Residential premises	60 years
Factory Building	30 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition of assets**

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.10 Investment property**

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises. Investment properties include:

- (i) Land
- (ii) Office premises.

**3.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**3.12 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

**3.13 Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity.

Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.

**3.14 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.15 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.16 Financial instruments**

**Initial recognition**

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

***Subsequent measurement***

**(A) Non derivative financial instruments**

**(i) Financial Assets at amortised cost**

A financial assets is measured at the amortised cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

**(ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income**

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**(iii) Financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

**(a) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

**(b) Trade & other payables**

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(B) Derivative financial instruments**

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

**The company have derivative financial assets/financial liabilities which are not designated as hedges;**

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/Liabilities in this category are presented as current asset/current liabilities.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**3.17 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**Annexure - V Significant accounting policies and explanatory notes to Restated Consolidated Statements**

**3.18 Employee Benefits**

**i) Defined contribution plans (Provident Fund)**

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

**ii) Defined benefit plans (Gratuity)**

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**iii) Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.19 Lease**

**Short-term leases and leases of low-value assets**

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**3.20 Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Annexure - VI Notes to Restated Consolidated Financial Statement

4 a) Property, Plant and Equipment  
Unit-1

Amount in millions

Particulars								
	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Gross Block (At cost)</b>								
<b>As at 31 March 2018</b>	<b>37.37</b>	<b>80.90</b>	<b>101.10</b>	<b>7.30</b>	<b>7.54</b>	<b>3.92</b>	<b>6.81</b>	<b>244.94</b>
Additions	3.00	100.29	340.42	4.91	0.54	2.99	1.55	453.69
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>40.37</b>	<b>181.19</b>	<b>441.53</b>	<b>12.21</b>	<b>8.07</b>	<b>6.91</b>	<b>8.35</b>	<b>698.63</b>
Additions	-	28.69	45.13	3.59	8.47	2.02	2.93	90.83
Deductions/Adjustments	-	1.50	40.27	-	0.00	-	-	41.76
<b>As at 31 March 2020</b>	<b>40.37</b>	<b>208.38</b>	<b>446.39</b>	<b>15.79</b>	<b>16.54</b>	<b>8.93</b>	<b>11.29</b>	<b>747.69</b>
Additions	-	48.51	148.08	0.81	16.65	4.33	5.39	223.78
Deductions/Adjustments	-	1.42	29.53	1.20	-	1.29	-	33.44
<b>As at 31 March 2021</b>	<b>40.37</b>	<b>255.47</b>	<b>564.95</b>	<b>15.41</b>	<b>33.19</b>	<b>11.97</b>	<b>16.68</b>	<b>938.03</b>
<b>Depreciation/amortisation</b>								
<b>Up to 31 March 2018</b>	<b>-</b>	<b>17.00</b>	<b>61.68</b>	<b>5.43</b>	<b>4.49</b>	<b>2.88</b>	<b>4.46</b>	<b>95.96</b>
For the year	-	4.62	18.44	1.17	0.39	0.42	0.95	26.00
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>-</b>	<b>21.62</b>	<b>80.13</b>	<b>6.61</b>	<b>4.88</b>	<b>3.31</b>	<b>5.42</b>	<b>121.96</b>
For the year	-	5.65	24.18	2.06	0.64	0.61	2.04	35.18
Deductions/Adjustments	-	0.93	30.35	-	-	-	-	31.28
<b>At 31 March 2020</b>	<b>-</b>	<b>26.34</b>	<b>73.95</b>	<b>8.67</b>	<b>5.52</b>	<b>3.92</b>	<b>7.46</b>	<b>125.86</b>
For the year	-	6.98	27.58	1.94	2.14	0.98	2.26	41.88
Deductions/Adjustments	-	0.13	5.96	0.65	-	1.15	-	7.88
<b>At 31 March 2021</b>	<b>-</b>	<b>33.20</b>	<b>95.57</b>	<b>9.96</b>	<b>7.66</b>	<b>3.75</b>	<b>9.72</b>	<b>159.86</b>
<b>Net Block</b>								
<b>At 31 March 2019</b>	<b>40.37</b>	<b>159.57</b>	<b>361.40</b>	<b>5.60</b>	<b>3.19</b>	<b>3.60</b>	<b>2.94</b>	<b>576.66</b>
<b>At 31 March 2020</b>	<b>40.37</b>	<b>182.04</b>	<b>372.44</b>	<b>7.13</b>	<b>11.01</b>	<b>5.01</b>	<b>3.83</b>	<b>621.83</b>
<b>At 31 March 2021</b>	<b>40.37</b>	<b>222.27</b>	<b>469.38</b>	<b>5.45</b>	<b>25.53</b>	<b>8.23</b>	<b>6.96</b>	<b>778.17</b>



Annexure - VI Notes to Restated Consolidated Financial Statement

4 a) Property, Plant and Equipment

Unit-2

Amount in millions

Particulars								
	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Gross Block (At cost)</b>	-	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	-	-	-	-	-	-	-
Additions	36.77	47.90	78.65	0.66	0.39	0.07	0.52	164.95
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>36.77</b>	<b>47.90</b>	<b>78.65</b>	<b>0.66</b>	<b>0.39</b>	<b>0.07</b>	<b>0.52</b>	<b>164.95</b>
<b>Depreciation/amortisation</b>	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	-	-	-	-	-	-	-	-
<b>Net Block</b>								
<b>At 31 March 2020</b>	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>36.77</b>	<b>47.90</b>	<b>78.65</b>	<b>0.66</b>	<b>0.39</b>	<b>0.07</b>	<b>0.52</b>	<b>164.95</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

4 a) Property, Plant and Equipment  
Unit-3

Amount in millions

Particulars								
	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Gross Block (At cost)</b>	-	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	-	-	-	-	-	-	-
Additions	107.16	202.72	346.17	4.94	1.30	-	0.65	662.93
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>107.16</b>	<b>202.72</b>	<b>346.17</b>	<b>4.94</b>	<b>1.30</b>	<b>-</b>	<b>0.65</b>	<b>662.93</b>
<b>Depreciation/amortisation</b>	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	-	-	-	-	-	-	-	-
For the year	-	-	-	-	-	-	-	-
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>								
<b>At 31 March 2020</b>	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>107.16</b>	<b>202.72</b>	<b>346.17</b>	<b>4.94</b>	<b>1.30</b>	<b>-</b>	<b>0.65</b>	<b>662.93</b>

4 c) Other Intangible assets

Particulars	Amount in millions			
	Trademark (Rs.)	Goodwill	Licensing & Patent	Total (Rs.)
<b>Gross Block (At cost)</b>				
<b>As at 31 March 2018</b>	-	97.57	68.82	166.39
Additions	-	40.78	3.95	44.73
Deductions	-	-	-	-
<b>As at 31 March 2019</b>	-	138.34	72.77	211.11
Additions	-	12.43	6.54	18.97
Deductions	-	-	-	-
<b>As at 31 March 2020</b>	-	150.77	79.31	230.08
Additions	0.08	28.49	-	28.56
Deductions	-	-	1.63	1.63
<b>As at 31 March 2021</b>	0.08	179.26	77.68	257.01
<b>Net Block</b>				
<b>As at 31 March 2019</b>	-	138.34	72.77	211.11
<b>As at 31 March 2020</b>	-	150.77	79.31	230.08
<b>As at 31 March 2021</b>	0.08	179.26	77.68	257.01

Annexure - VI Notes to Restated Consolidated Financial Statement

4 b) Capital Work-in-Progress

Amount in millions								
Particulars	Factory Building	Canteen Building	Plant & Machinery	Furniture & Fixtures	Office Equipment's	Computer System	Patent & Trademark	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Gross Block (At cost)								
As at 31 March 2018	57.69	218.96	24.13	1.77	-	-	0.70	303.24
Additions	15.68	-	-	2.18	-	-	4.93	22.78
Transfers	57.69	218.96	24.13	1.77	-	-	3.85	306.40
As at 31 March 2019	15.68	-	-	2.18	-	-	1.77	19.63
Additions	13.43	19.62	72.42	13.89	0.25	1.52	0.04	121.16
Transfers	-	19.62	0.71	3.39	-	-	-	23.71
As at 31 March 2020	29.10	-	71.72	12.68	0.25	1.52	1.81	117.07
Additions	4.10	-	17.75	1.85	-	0.67	0.27	24.64
Transfers	33.21	-	89.47	14.53	0.25	2.18	0.08	139.72
As at 31 March 2021	-	-	-	-	-	-	2.00	2.00

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

5 Non Current Investments:

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>A. Investments in Equity Instruments</b>			
<b>Trade, unquoted investments:</b>			
<b>At cost</b>			
74,171 (as at 31.03.2020: 74,171) Equity shares of Rs.10 each of Globe Enviro Care Limited	1.05	1.05	1.05
3,006 (as at 31.03.2020: 3000) Equity shares of Rs.10 each of Sachin Indl. Co.Op. Soc.	0.03	0.03	0.03
35,40,334 (as at 31.03.2020: 35,40,334) Equity shares of Prodigy Biotech Inc	13.21	13.21	13.21
<b>Total</b>	<b>14.29</b>	<b>14.28</b>	<b>14.28</b>
<b>Investment in Joint Ventures:</b>			
SkinStitch LLC	-	3.02	2.16
<b>Total</b>	<b>-</b>	<b>3.02</b>	<b>2.16</b>
<b>Total</b>	<b>14.29</b>	<b>17.31</b>	<b>16.44</b>

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Aggregate amount of Quoted Investments	-	-	-
Aggregate amount of Unquoted Investments	14.29	17.31	280.02
Market value of Quoted Investments	-	-	-
Aggregate provision for diminution in Value of Investments	-	-	-

6 Other Financial Assets

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Security Deposits	11.40	11.57	10.75
Fair Value of Plan Assets	2.13	2.26	1.65
Fixed Deposits	3.19	2.79	0.63
Investment in Key Man Insurance	10.34	12.93	9.96
<b>Total</b>	<b>27.06</b>	<b>29.55</b>	<b>23.00</b>

**Note:** Investment in Key an Insurance is Measured at Surrender value to the extent details are available, in cases where details are not available regarding Surrender value or Fund NAV, same has been taken at cost of Premium.

7 Other Non Current Assets

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Application Money Paid for Investment in Joint Venture	-	31.54	5.29
Advances Recoverable in Cash or in Kind or for Value to be Received	1.93	1.93	1.93
Pre Operative cost of Ami Onco	62.03	59.25	36.50
<b>Total</b>	<b>63.96</b>	<b>92.71</b>	<b>43.72</b>

8 Inventories

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Raw Materials</b>	386.70	295.18	249.98
<b>Finished Goods / Traded Goods:</b>	122.63	87.07	94.82
<b>Work-in-Progress</b>			
Goods in Process	87.31	136.87	39.26
<b>Packing Material</b>	3.54	1.69	1.06
<b>Consumables Stores &amp; Spares</b>	3.46	2.61	1.57
<b>Total</b>	<b>603.63</b>	<b>523.42</b>	<b>386.69</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

9 Trade Receivables

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
(Unsecured, considered good)			
Trade Receivables	1,206.91	564.03	760.87
<b>Total</b>	<b>1,206.91</b>	<b>564.03</b>	<b>760.87</b>

*Note:- 1. No Trade Receivable are due from directors or other officers of the company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.*

10 Cash and Cash Equivalents

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Balances with banks-in Current Accounts	24.96	36.69	4.29
Cash on Hand	1.88	1.53	0.66
<b>Total</b>	<b>26.85</b>	<b>38.22</b>	<b>4.94</b>

11 Loans

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Unsecured, Considered good</b>			
<b>Others</b>			
Loans and Advances to Employees	3.34	2.77	1.79
<b>Total</b>	<b>3.34</b>	<b>2.77</b>	<b>1.79</b>

12 Other Current Assets

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Unsecured, Considered Good</b>			
Prepaid Expenses	6.10	1.64	3.20
Transaction costs of an equity transaction	3.69	-	-
Balances with Government Authorities	63.21	45.43	64.37
Capital advances	111.20	1.71	1.03
Advances to suppliers	29.89	10.75	17.91
Insurance Claim Receivable (Note)	107.49	-	-
Advances Recoverable in Cash or in Kind or for Value to be Received	-	0.03	0.17
<b>Total</b>	<b>321.58</b>	<b>59.57</b>	<b>86.68</b>

**Note:-**

1

Under Ind AS 32, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Since the company has not received proceeds from issue of share capital, the company has accounted transaction costs of an equity transaction under the head "Other current assets". Once company receives the proceeds from issue of share, the transaction costs of an equity transaction accumulated will be adjusted with the retained earning under "Reserve & surplus

- 2 The fire took place on 26/02/2021 damaging the company's property, plant and equipment and also raw material, packing material and stores and consumables resulting into loss amounting to Rs. 107.49 Million. These assets are fully secured through insurance. The company has recognised insurance receivable of Rs 107.49 Million against such loss. No amount has been received from insurance company till end of the reporting period. The management has estimated amount receivable from insurance company of Rs. 117.90 Million being Reinstatement Value and it is under process with the insurance company. However this event does not affect the concept of going concern.



Annexure - VI Notes to Restated Consolidated Financial Statement

13 Equity Share Capital

Particulars	Amount in millions		
	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Authorised:</b>			
5,00,00,000(as at 31 March 2020: 1,50,00,000 Equity shares of Rs.10 each)	500	150	150
	500	150	150
<b>Issued, subscribed and paid up:</b>			
3,15,00,000 (as at 31 March 2020: 1,05,00,000 Equity shares of Rs.10 each fully paid up )	315	105	105
<b>Total Equity</b>	<b>315</b>	<b>105</b>	<b>105</b>

\* 90,00,000 Equity shares fully paid were issued on 20th April, 2018  
2,10,00,000 Equity shares fully paid were issued on 31st March, 2021

a) Details of Reconciliation of the Number of Shares Outstanding:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	Rs. (in millions)	No. of shares	Rs. (in millions)	No. of shares	Rs. (in millions)
<b>Equity Shares:</b>						
Shares outstanding at the beginning of the year	1,05,00,000	105	1,05,00,000	105	15,00,000	15
Add: Shares issued during the year	2,10,00,000	210	-	-	90,00,000	90
<b>Shares outstanding at the end of the year</b>	<b>3,15,00,000</b>	<b>315</b>	<b>1,05,00,000</b>	<b>105</b>	<b>1,05,00,000</b>	<b>105</b>

b) Terms/ rights attached to Equity Shares

Company has increased authorised capital from Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lacs ) Equity shares of Rs. 10/- each to Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity shares of Rs. 10/- each vide resolution dated 30th January 2021.

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders.

In the event of liquidation of the Company, the holders of the 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.

c) Details of shares in the company held by each shareholder holding more than 5 %:

Name of Shareholder	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	%	No. of shares	%	No. of shares	%
Nareishbhai Ramjibhai Patel	40,03,710	12.71%	13,87,070	13.21%	10,32,500	9.83%
Shitalben Nareishbhai Patel	39,37,500	12.50%	13,12,500	12.50%	13,12,500	12.50%
Chetanbhai Chhaganbhai Vaghasiya	30,97,500	9.83%	10,32,500	9.83%	10,32,500	9.83%
Parulben Chetanbhai Vaghasiya	39,37,500	12.50%	13,12,500	12.50%	13,12,500	12.50%
Girishbhai Limbabbhai Chovatiya	58,55,430	18.59%	20,74,110	19.75%	13,65,000	13.00%
Kiranben Girishbhai Chovatiya	73,50,000	23.33%	24,50,000	23.33%	24,50,000	23.33%

14 Other Equity

Particulars	Amount in millions		
	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Equity instruments through other Comprehensive Income</b>			
Balance as per last financial statement	38.34	10.82	(2.29)
Addition during the year (net of tax)	(8.52)	27.52	13.11
Transfer to retained earning realised (gain)/Loss	-	-	-
<b>Closing Balances</b>	<b>29.82</b>	<b>38.34</b>	<b>10.82</b>
<b>Retained Earnings</b>			
Balance as at beginning of the year	974.80	706.37	562.34
Less: Issue of Bonus Shares	(210.00)	-	(90.00)
Add : Profit for the year	539.99	274.70	232.95
Remeasurement of the defined benefit plans (net of tax)	(0.28)	(6.28)	1.09
	<b>1,304.51</b>	<b>974.80</b>	<b>706.37</b>
<b>Capital Reserve</b>			
Balance as at beginning of the year	-	-	-
Reserve on Acquisition	20.00	-	-
	<b>20.00</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,354.33</b>	<b>1,013.14</b>	<b>717.20</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

15 Borrowings

Refer Note 18 (a)

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Financial Liabilities at Amortised Cost</b>			
<b><u>Secured</u></b>			
Term Loans			
From Banks and Financial institution	718.23	125.87	116.00
	<b>718.23</b>	<b>125.87</b>	<b>116.00</b>
<b><u>Unsecured</u></b>			
From Related Parties	8.21	73.14	105.00
<b>Total</b>	<b>726.44</b>	<b>199.01</b>	<b>221.00</b>

16 Provisions

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Provision for Employee Benefits.</b>			
Gratuity	43.68	24.38	11.37
<b>Total</b>	<b>43.68</b>	<b>24.38</b>	<b>11.37</b>

17 Deferred Tax Assets/ (liabilities)- Net

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Deferred Tax Liabilities</b>			
Fixed assets :			
Impact of difference between tax depreciation and charged in financial statement	(44.18)	(40.42)	(32.66)
	<b>(44.18)</b>	<b>(40.42)</b>	<b>(32.66)</b>
<b>Deferred Tax Assets</b>			
Defined benefit obligation	11.40	9.17	4.16
	<b>11.40</b>	<b>9.17</b>	<b>4.16</b>
Mat Credit Entitlement	-	-	7.14
<b>Total</b>	<b>(32.78)</b>	<b>(31.25)</b>	<b>(21.36)</b>

18 Borrowings

(Refer Note 18a)

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Financial Liabilities at amortised cost</b>			
<b><u>Secured</u></b>			
Cash Credit	315.89	299.61	222.74
Bill Discounting	-	39.63	38.71
EPC Loan	49.42	-	-
<b><u>Unsecured</u></b>			
From Banks and Financial institution	80.00	-	-
<b>Total</b>	<b>445.31</b>	<b>339.24</b>	<b>261.45</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

19 Trade Payables

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Financial Liabilities at Amortised Cost</b>			
Trade Payables (Refer Note 33)			
A.Total outstanding dues of micro enterprises and small enterprises	3.90	0.81	52.81
B.Total outstanding dues of other than micro enterprises and small enterprises	840.56	513.66	631.08
<b>Total</b>	<b>844.47</b>	<b>514.47</b>	<b>683.89</b>

20 Other Financial Liabilities

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Current Maturities of Long Term Debts	194.60	55.95	56.60
Payables for Fixed assets	3.28	16.07	24.19
<b>Total</b>	<b>197.89</b>	<b>72.02</b>	<b>80.79</b>

21 Other Current Liabilities

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Statutory Dues Payable	25.34	4.63	3.33
Advances from customers	4.41	0.78	13.15
Employees Dues	12.40	10.97	7.92
Payable for Inventory	109.44	-	-
<b>Total</b>	<b>151.60</b>	<b>16.38</b>	<b>24.39</b>

22 Provisions

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Provision for employee benefits:</b>			
Gratuity	2.16	0.87	0.14
<b>Other</b>			
Provision for Expenses	7.51	3.18	4.06
<b>Total</b>	<b>9.66</b>	<b>4.05</b>	<b>4.19</b>

23 Current Tax Liability (Net)

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Provision for income tax (net)	11.52	-	0.89
<b>Total</b>	<b>11.52</b>	<b>-</b>	<b>0.89</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

18.a Terms of Borrowings  
(Refer Note 15 & Note 18)

Amount in millions

Note	Lender	Amount Sanctioned Rs.	Outstanding Amount 31 March 2021	Outstanding Amount 31 March 2020	Carrying Rate of Interest/Commission		Repayment/Modification of Terms	Security/Principal Terms & Conditions
					As at 31 March 2021	As at 31 March 2020		
1	<b>HDFC Bank Ltd - A/c.</b>							
	i	Pre/Post Shipment limit	239.00	-	-	6.50%	-	The loan is repayable in 12 Months.
		Cash credit (Sub limit of Pre/Post Shipment limit)	(239.00)	(29.17)	-	7.00%	-	The loan is repayable in 12 Months.
		WCDL (Sub limit of Pre/Post Shipment limit)	(239.00)	-	-	6.50%	-	Tenor upto 3 month revolving
		DRUL (Sub limit of Pre/Post Shipment limit)	(4.50)	-	-	7.50%	-	The loan is repayable in 12 Months.
		ILC/FLC (Sub limit of Pre/Post Shipment limit)	(30.00)	-	-	0.75%	-	The loan is repayable in 12 Months.
		BG (Sub limit of Pre/Post Shipment limit)	(10.00)	-	-	0.75%	-	
	ii	PSR Limit	5.00	-	-	As per standard bank's norms	-	The loan is repayable in 12 Months.
	iii	BBG-WC-Term loan -1	43.50	(0.83)	-	6.50%	-	The loan is repayable in 48 Months.
2	<b>ICICI Bank Ltd</b>							
	<b>Fund Based Limits</b>							
	i.	Rupee Term Loan	53.83	39.33	51.98	9.20%	10.00%	The loan is repayable in 51 Months.
		FCNR-B (as a sublimit of Rupee Term Loan)	(53.83)	-	-			
		FBP/FUBD/PSCFC	239.00	-	-	9.20%	10.00%	The loan is repayable in 12 Months.
		EPC/PCFC (as a sublimit of FBP/FUBD/PSCFC)	(239.00)	-	-	9.20%	10.00%	The loan is repayable in 12 Months.
		Cash Credit (as a sublimit of FBP/FUBD/PSCFC)	(239.00)	65.01	187.58	9.20%	10.00%	
		FCNR-B (as a sub limit of FBP/FUBD/PSCFC)	(150.00)	-	-	9.20%	10.00%	The loan is repayable in 12 Months.
		ICICI TERM LOAN ECLGS A/C NO. 005255000086	43.27	43.57	-	8.25%	-	Moratorium on principal amount for 12 months after that repaid in 36 monthly equated installments.
	<b>Non-Fund Based Limits</b>		-	-	-			
		Letter of Credit (as a sublimit of Cash Credit)	(30.00)	-	-	1.50%	1.50%	The loan is repayable in 12 Months.

Annexure - VI Notes to Restated Consolidated Financial Statement

18.a Terms of Borrowings

(Refer Note 15 & Note 18)

Amount in millions

Note	Lender	Amount Sanctioned Rs.	Outstanding Amount 31 March 2021	Outstanding Amount 31 March 2020	Carrying Rate of Interest/Commission		Repayment/Modification of Terms	Security/Principal Terms & Conditions
					As at 31 March 2021	As at 31 March 2020		
	Bank Gurantee Limit (as a sublimit of Cash Credit)	(10.00)	-	-	1.50%	1.50%	The loan is repayable in 12 Months.	
	Derivatives	6.00	-	-	As per standard bank's norms	As per standard bank's norms	The loan is repayable in 12 Months.	
3	Yes Bank Limited -Vehicle Loan	1.94	0.35	-	8.60%	8.60%	The loan will be recovered in 37 instalments of ₹59,723/- equated monthly	Hypothecation of the vehicle
4	Yes Bank Limited -Vehicle Loan	0.70	0.13	-	9.10%	9.10%	The loan will be recovered in 37 instalments of ₹21,768/- equated monthly	Hypothecation of the vehicle
5	HDFC Bank Ltd -Vehicle Loan (Swift Dzire)	0.77	0.50	-	8.85%	-	The loan will be recovered in 37 instalments of ₹23,533/- equated monthly	Hypothecation of the vehicle
6	HDFC Bank Ltd -Vehicle Loan (Ambulance)	0.66	0.53	-	9.00%	-	The loan will be recovered in 36 instalments of 20956/- equated monthly	Hypothecation of the vehicle
7	HDFC Bank Ltd -Vehicle Loan (Aura)	0.75	0.71	-	8.00%	-	The loan will be recovered in 60 instalments of 15223/- equated monthly	Hypothecation of the vehicle
8	HDFC Bank Ltd -Vehicle Loan (Kia)	1.70	1.61	-	7.90%	-	The loan will be recovered in 60 instalments of 34389/- equated monthly	Hypothecation of the vehicle
9	Axis Bank Limited							
i	Cash Credit Limit							Primary Security:
	Axis Bank Ltd. CC-1 A/c no.920030074061965	315.00	279.99	-	6.50%	-	The loan is repayable in 12 Months.	For cash credit facility except CC-2: Pari Passu charge by way of hypothecation on current asset and movable fixed asset(other than vehicles) of the company for Surat Unit both present and future.
	Export Limits (As sublimit of CC)	(145.00)	-	-	As per standard bank's norms	-	Tenure upto 180 days for Pre+Post Shipment	For term loan facility except TL 7-8: Pari Passu charge by way of hypothecation charge on fixed asset of the company for Surat Unit both present and future.
	ILS/FLC/Buyers Credit(As sublimit of CC)	(50.00)	-	-	0.75%	-	Tenure upto 180 days	For Cash Credit 2 Facility:-Exclusive hypothecation charge on current assets and movable fixed assets' (other than vehicles) of the company for Ankleshwar and Jhagdia unit both present and future.
	BG (As sublimit of CC)	(50.00)	-	-	0.75%	-	Upto to 1 Year Including Claim period	For Term Loan 7 Facility:-Exclusive hypothecation charge on fixed asset of the company for Jhagdia unit both present and future.
	Axis Bank Ltd. CC-2(For Jhagdia and Ankleshwar unit)	100.00	-	-	6.50%	-	The loan is repayable in 12 Months.	
ii	ILC/FLC Limit	10.00	-	-	0.75%	-	Tenure upto 180 days	

Annexure - VI Notes to Restated Consolidated Financial Statement

18.a Terms of Borrowings  
(Refer Note 15 & Note 18)

Amount in millions

Note	Lender		Amount Sanctioned Rs.	Outstanding Amount 31 March 2021	Outstanding Amount 31 March 2020	Carrying Rate of Interest/Commission		Repayment/Modification of Terms	Security/Principal Terms & Conditions
						As at 31 March 2021	As at 31 March 2020		
	iii	Export Limits	100.00	49.42	-	As per standard bank's norms	-	Tenure upto 180 days for Pre+Post Shipment	For Term Loan 8 Facility:-Exclusive hypothecation charge on fixed asset of the company for Ankleshwar unit both present and future.
	iv	LER	7.00	-	-	As per standard bank's norms	-	Maximum Tenure upto 12 Months	Security (Collateral):  For cash credit facility except CC-2: Pari Passu charge by way of hypothecation on fixed asset of the company for Surat Unit both present and future.
	v	Term Loan	-	-	-		-		
		TL-1 (960543)	19.80	16.18	-	6.50%		The loan will be recovered in 22 instalments of Rs.9,00,000/- . Interest to be served separately	For term loan facility except TL 7-8: Pari Passu charge by way of hypothecation charge on current assets and movable fixed assets(other than Vehicle) of the company for Surat Unit both present and future.
		TL-2 (960608)	26.70	23.36	-	6.50%		The loan will be recovered in 24 instalments of Rs.11,12,500/- . Interest to be served separately	For Cash Credit 2 Facility:-Exclusive hypothecation charge on fixed assets' of the company for Ankleshwar and Jhagdia unit both present ond future.
		TL-3 (960611)	52.10	48.09	-	6.50%		The loan will be recovered in 50 instalments of Rs.10,40,000/-	For Term Loan 7 Facility:-Exclusive hypothecation charge on current assets and movable fixed assets' (other than vehicles) of the company for Jhagdia unit both present and future.
		TL-4 (960624)	10.00	9.35	-	6.50%		The loan will be recovered in 55 instalments of Rs.1,80,000/-	
		TL-5 (960666)	33.50	31.36	-	6.50%		The loan will be recovered in 57 instalments of Rs.5,85,000/-	For Term Loan 8 Facility:-Exclusive hypothecation charge on current assets and movable fixed assets' (other than vehicles) of the company for Ankleshwar unit both present and future.
		TL-6 (960763)	72.50	70.02	-	6.50%		The loan will be recovered in 60 instalments of Rs.12,08,000/-	
		TL-7 (Jhagdia Unit- 921060052764769)	477.50	440.20	-	6.50%		First three month will be moratorium then the loan will be recovered in 60 instalments of Rs.79,58,000/- .Interest to be served separately	Equitable Mortgage of all WC & TL except CC-2 and TL 7-8:- 1.Industrial Property/ Plot no. 440/5,440/6, and 8206-B, Sachin Industrial Estate, Road No. 82, Sachin, GIDC, Surat, owned by Ami Organics Pvt. Ltd.(Surat Unit) 2.Residential Property/ 148, Krishna Park, Sachin, Navsari Road Pardi Kande, Surat, Opp. Yogeshwar Park, Sachin owned by Ami Organics Pvt. Ltd. 3.Industrial Property, Plot no C1B/469, GIDC Sachin, Surat owned by Ami Organics Pvt. Ltd.(Surat Unit)
		TL-8 (Ankleshwar Unit- 921060052764772)	172.50	142.90	-	6.50%		First three month will be moratorium then the loan will be recovered in 60 instalments of Rs.28,75,000/- .Interest to be served separately	Equitable Mortgage of CC-2 and TL 7:- Plot No. 910/ I /B, G.I.D.C. Jhagadia having land area of 54,968 sq. mt. (Jhagdia unit)
		ECLGS- 921060053057767	44.90	44.96		6.50%		The loan will be recovered in 35 instalments of Rs.12,47,222/- and 1 installment of Rs.12,47,230/- .Interest to be served separately and each moratorium period of 12 months from the date of first disbursement.	Equitable Mortgage of TL 8:- Plot No. 127/1 G.I.D.C. Industrial Estate, Ankleshwar having land area of 10,644 sq. mt.(Ankleshwar unit)  Personal Gurantee of:- 1. Mr. Kiran G Chovatia 2.Mr. Girish L Chovatia 3.Mr. Naresh Patel 4.Mr. Chetan Vaghasiya
	vi	Axis Bank Limited - Vehicle Loan(Tempo)	1.40	0.90	-	9.05%	9.05%	The loan will be recovered in 48 instalments of ₹34,873/- equated monthly	Hypothecation of the 01 unit of SML ISUZU SAMRAT TRUCK Purchased out of Banks funds Fund Of Co -Applicant - MR. NARESH BHAI R PATEL

Annexure - VI Notes to Restated Consolidated Financial Statement

18.a Terms of Borrowings  
(Refer Note 15 & Note 18)

Amount in millions

Note	Lender		Amount Sanctioned Rs.	Outstanding Amount 31 March 2021	Outstanding Amount 31 March 2020	Carrying Rate of Interest/Commission		Repayment/Modification of Terms	Security/Principal Terms & Conditions
						As at 31 March 2021	As at 31 March 2020		
	vii	Axis Bank Limited - Vehicle Loan	0.67	0.50	-	10.00%	10.00%	The loan will be recovered in 60 instalments of ₹14236/- equated monthly	Hypothecation of the Big Boloreo pickup
10	Standard Chartered Bank								
		Cash Credit	140.00	0.05	-	7.95%	-	The loan is repayable in 12 Months.	It is an unsecured facility
		WCDL(As sublimit of CC)	(120.00)	80.00	-	7.75%	-	Tenure upto 90 days	
		PCFC/PSFC(As sublimit of CC)	(120.00)	-	-	L+175 Bppa	-	Tenure as per assessment	
		EPC/FBD(As sublimit of CC)	(120.00)	-	-	7.75%	-	Tenure as per assessment	

24 Revenue From Operations

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Sales of Raw Materials / Finished Goods / Traded Goods:</b>			
Export Sales	1,756.54	1,099.69	1,183.33
Domestic Sales	1,605.55	1,258.99	1,154.13
<b>Other operating revenues</b>			
Duty drawback, MEIS and other export incentives	43.99	37.75	47.66
<b>Total</b>	<b>3,406.08</b>	<b>2,396.43</b>	<b>2,385.12</b>

25 Other Income

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Interest income:</b>			
On Deposit with Banks & Others	1.95	0.94	0.37
<b>Others:</b>			
Foreign Exchange Fluctuation Gain	6.59	10.32	-
Insurance Claim Income	1.64	1.15	-
Change in Surrender Value of Keyman Insurance Policy	-	0.83	-
Others	3.62	15.19	3.47
<b>Total</b>	<b>13.80</b>	<b>28.44</b>	<b>3.84</b>



26 Cost of Raw Materials Consumed

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Raw Materials Consumed / Sold:</b>			
Opening stock			
Raw Materials	295.18	249.98	170.40
Packing Materials	1.69	1.06	2.05
	<b>296.86</b>	<b>251.04</b>	<b>172.45</b>
Add : Purchases			
Domestic	1,395.07	892.27	1,049.83
Import	510.21	532.55	549.27
	<b>1,905.27</b>	<b>1,424.82</b>	<b>1,599.10</b>
Less : Goods loss by fire	65.03	-	-
Less: Closing stock			
Raw Materials	386.70	295.18	249.98
Packing Materials	3.54	1.69	1.06
	<b>390.24</b>	<b>296.86</b>	<b>251.04</b>
<b>Total (a+b+c)</b>	<b>1,746.87</b>	<b>1,378.99</b>	<b>1,520.52</b>

27 Changes In Inventories of Finished Goods/Traded Goods and Work-In-Progress

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>a) Changes in Inventories of Finished Goods / Traded Goods</b>			
<b>Opening stock of finished goods / traded goods:</b>			
Finished goods	87.07	94.82	82.48
Add:- Purchase	30.92	-	-
<b>Less: Closing stock of finished goods / traded goods:</b>			
Finished goods	122.63	87.07	94.82
	<b>(4.63)</b>	<b>7.75</b>	<b>(12.34)</b>
<b>b) Changes in work in progress</b>			
Opening stock	136.87	39.26	15.39
Add:- Purchase	3.21	-	-
Less: Closing stock	87.31	136.87	39.26
	<b>52.77</b>	<b>(97.61)</b>	<b>(23.87)</b>
<b>Total</b>	<b>48.14</b>	<b>(89.86)</b>	<b>(36.21)</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

28 Employee Benefits Expense

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Salaries, Bonus, Commission and Allowances	139.90	113.67	74.24
Director Remuneration	47.75	48.68	32.04
Contribution to Provident and Other Funds	8.94	7.01	4.50
Gratuity	9.22	5.21	3.08
Staff Welfare Expenses	4.27	3.58	3.62
<b>Total</b>	<b>210.08</b>	<b>178.14</b>	<b>117.48</b>

29 Finance Costs

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Interest on Term Loan and CC	51.03	53.22	43.31
Interest on Unsecured Loan	0.05	-	1.19
Interest on Statutory Dues	0.85	0.25	0.23
Interest on Income Tax	-	0.20	-
Processing & Other Charges	4.18	2.13	0.96
Interest on MSME Creditors	0.07	0.08	1.84
<b>Total</b>	<b>56.18</b>	<b>55.87</b>	<b>47.53</b>

30 Other Expenses

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	PreviousYear 2018-19 (Rs.)
Stores, Spares and Tools Consumed	22.32	12.84	10.74
Job work charges	285.77	256.06	111.02
Conversion & Other Manufacturing charges	83.27	61.82	43.17
Power and Electricity	52.56	45.35	41.42
Communication Expenses	0.33	0.43	0.33
Printing and Stationery	3.72	3.53	3.58
Travelling and Conveyance Expenses	2.10	7.82	11.43
Legal and Professional Fees	15.22	22.84	28.01
Rent on Warehouse & Parking	3.03	0.81	-
Rates and Taxes	8.86	1.44	3.54
Repairs and Maintenance	17.03	15.28	4.46
Insurance Charges	4.97	6.10	4.69
Change in Surrender value(Keyman Insurance Policy)	1.19	-	1.77
Auditor's Remuneration:			
- for audit	0.70	0.70	0.70
- for tax audit	-	-	-
Donations	-	0.00	0.01
CSR Expenditure	7.53	6.33	4.38
Commission and brokerage on sales	18.00	20.40	14.43
Sales and Promotion Expense	0.68	13.90	13.15
Freight, clearing and forwarding charges	51.39	23.27	32.77
Discount allowed	-	0.33	-
Directors Sitting Fees	1.00	0.52	0.56
Membership & Subscription Expenses	0.14	0.13	0.21
Loss on sale of fixed assets (net)	0.18	7.70	-
Foreign Exchange Fluctuation Loss	-	-	24.27
Security Expenses	3.34	2.87	2.24
Loss on sale of Investement	3.24	-	-
Miscellaneous and other expenses	6.24	8.57	5.67
R&D Testing	6.66	-	-
<b>Total</b>	<b>599.47</b>	<b>519.00</b>	<b>362.54</b>

31 Earnings in foreign exchange

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	PreviousYear 2018-19 (Rs.)
Export of goods calculated on FOB basis	1,728.65	1,075.40	1,114.33
<b>Total</b>	<b>1,728.65</b>	<b>1,075.40</b>	<b>1,114.33</b>

32 a) Value of imports calculated on CIF basis

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Raw Materials	498.97	519.60	525.24
Capital Goods	13.79	44.08	2.65
<b>Total</b>	<b>512.76</b>	<b>563.68</b>	<b>527.89</b>

32 b) Expenditure in Foreign Currency

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Other Expenses	13.92	13.58	12.23
<b>Total</b>	<b>13.92</b>	<b>13.58</b>	<b>12.23</b>

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.90	0.81	52.81
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.07	0.08	1.84
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	0.07	0.08	1.84
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.07	0.08	1.84
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.07	0.08	1.84

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34 Contingencies

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Contingent liabilities:</b>			
Disputed income tax liabilities(Note 1)	-	0.67	0.77
TDS	0.02	0.03	0.04
<b>Total</b>	<b>0.02</b>	<b>0.70</b>	<b>0.81</b>

**Note 1**

- 1 For AY 2016-17 order demanding Rs. 16.47 million has been raised for which company has filed appeal with CIT (Appeal).
- 2 For AY 2018-19 order demanding Rs. 0.20 million received dated 19th April 2021.
- 3 The company is having contingency relating to Notice under section 148(1) of Income Tax Act, 1961, received for re-assessment of AY 2012-13, for which liability can not be quantifiable as order from assessing officer is still pending.

35 Employee benefit obligations

a. Defined Contribution Plans:

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Contribution to Provident Fund	8.15	6.24	0.63
Contribution to ESIC	0.78	0.76	3.86
Contribution to LWF	0.01	0.01	0.01

ii. Defined Benefit Plan:

The Company has a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.2,000,000.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Change in present value of obligations</b>			
PVO at beginning of year	25.25	11.50	9.95
Interest cost	1.68	0.88	0.76
Current Service Cost	7.69	4.51	2.42
Past Service Cost- (non vested benefits)	-	-	-
Past Service Cost -(vested benefits)	-	-	-
Benefits Paid	(1.12)	(0.04)	(0.10)
Contributions by plan participants	-	-	-
Business Combinations	-	-	-
Curtailments	-	-	-
Settlements	-	-	-
Actuarial (Gain)/Loss on obligation	0.22	8.39	(1.53)
<b>PVO at end of year</b>	<b>33.72</b>	<b>25.25</b>	<b>11.50</b>
<b>Fair Value of Plan Assets</b>			
Opening Fair Value of Plan Asset	2.26	1.65	1.14
Adjustment to Opening Fair Value of Plan Asset	-	-	-
Return on Plan Assets excl. interest income	(0.15)	0.00	0.01
Interest Income	0.15	0.14	0.10
Contributions by Employer	0.99	0.50	0.50
Benefits Paid	(1.12)	(0.04)	(0.10)
<b>Fair Value of Plan Assets at end</b>	<b>2.13</b>	<b>2.26</b>	<b>1.65</b>
<b>Amounts to be recognized in the balance sheet and</b>			
PVO at end of year	33.72	25.25	11.50
Fair Value of Plan Assets at end of period	2.13	2.26	1.65
Funded Status	(31.59)	(22.99)	(9.85)
<b>Net Asset/(Liability) recognized in the balance sheet</b>	<b>(31.59)</b>	<b>(22.99)</b>	<b>(9.85)</b>
<b>Other Comprehensive Income (OCI)</b>			
Actuarial (Gain)/Loss recognized for the year	0.22	8.39	(1.53)
Asset limit effect	-	-	-
Return on Plan Assets excluding net interest	0.15	(0.00)	(0.01)
Unrecognized Actuarial (Gain)/Loss from previous year	-	-	-
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>	<b>0.37</b>	<b>8.39</b>	<b>(1.53)</b>
<b>Expense recognized in the statement of P &amp; L A/C</b>			
Current Service Cost	7.69	4.51	2.42
Net Interest	1.53	0.73	0.66
Past Service Cost- (non vested benefits)	-	-	-
Past Service Cost -(vested benefits)	-	-	-
Curtailment Effect	-	-	-
Settlement Effect	-	-	-
<b>Expense recognized in the statement of P &amp; L A/C</b>	<b>9.22</b>	<b>5.25</b>	<b>3.08</b>
<b>Movements in the Liability recognized in Balance Sheet</b>			
Opening Net Liability	22.99	9.85	8.81
Expenses as above	9.22	5.25	3.08
Contribution paid	(0.99)	(0.50)	(0.50)
Other Comprehensive Income(OCI)	0.37	8.39	(1.53)
<b>Closing Net Liability</b>	<b>31.59</b>	<b>22.99</b>	<b>9.85</b>
<b>Liability is bifurcated as follows :</b>	<b>As at 31 March 2021 (Rs.)</b>	<b>As at 31 March 2020 (Rs.)</b>	<b>As at 31 March 2019 (Rs.)</b>
Current	1.13	0.87	0.14
Non-current	32.59	24.38	11.37
<b>Net liability</b>	<b>33.72</b>	<b>25.25</b>	<b>11.50</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

Assumptions as at			
Mortality	IALM (2012-13) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.79%	7.67%	7.67%
Rate of increase in compensation	12.00%	12.00%	12.00%
Annual increase in healthcare costs			
Future Changes in maximum state healthcare benefits			
Expected average remaining service	19.91	20	20
Retirement Age	60 Year	60 Year	60 Year
Employee Attrition Rate	2% For All Ages	2% For All Ages	2% For All Ages

A quantitative analysis for significant assumption is as shown below:

Indian gratuity plan:

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Assumptions -Discount rate</b>			
Sensitivity Level (a hypothetical increase / (decrease) by)	1.00%	1.00%	1.00%
Impact on defined benefit obligation -increase of sensitivity level	28.66	21.58	9.75
Impact on defined benefit obligation -decrease of sensitivity	40.10	29.84	13.70
Assumptions -Future salary escalations rates			
Sensitivity Level (a hypothetical increase / (decrease) by)	1.00%	1.00%	1.00%
Impact on defined benefit obligation-increase of sensitivity level	37.96	28.24	13.11
Impact on defined benefit obligation-decrease of sensitivity level	29.76	22.49	10.05

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Within 1 year	1.13	0.87	0.01
1-2 year	0.53	0.38	0.15
2-3 year	0.57	0.48	0.18
3-4 year	0.59	0.52	0.23
4-5 year	1.39	0.52	0.24
5-10 year	6.87	6.63	3.17

36 Segmental Information

In accordance with IND AS 108 "Operating segment" - The Company used to present the segment information identified on the basis of internal report used by the Company to allocate resources to the segment and assess their performance. The Board of Directors of the Company is collectively the Chief Operating Decision Maker (CODM) of the Company.

The chief operating decision maker monitors the operating results of its segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated on the basis on profit and loss.

Summary of the segment Information as follows:

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Segment Revenue</b>			
Sales and income from operations			
Within India	1,605.55	1,258.99	1,154.13
Outside India	1,756.54	1,099.69	1,183.33
	<b>3,362.09</b>	<b>2,358.67</b>	<b>2,337.46</b>
<b>Carrying amount of assets by geographical location of assets</b>			
Segment Assets			
Within India	3,248.37	1,708.52	1,674.77
Outside India	884.31	588.03	456.76
	<b>4,132.68</b>	<b>2,296.55</b>	<b>2,131.52</b>
<b>Additions to Fixed Assets (including intangible assets and capital work in progress)</b>			
Within India	1,051.92	148.95	473.82
Outside India	40.72	63.05	47.38
	<b>1,092.64</b>	<b>211.99</b>	<b>521.20</b>

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has to be expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Details of CSR expenditure required to be spent and amount spent are as under:

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Gross amount required to be spent by the company during the	7.30	6.94	5.75
Amount spent during the year			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	7.53	6.33	4.38
Cumulative CSR Expenditure required to be spent	(0.23)	0.61	1.37

38 Financial Instruments

Financial Instrument by Category

The carrying value and fair value of financial instrument by categories as of 31 March 2021 were as follows

Particulars	at amortised cost (Rs.)	at fair value through profit and loss (Rs.)	at fair value through OCI (Rs.)	Total Carrying value (Rs.)
<b>Assets:</b>				
Cash and Cash Equivalents	26.85	-	-	26.85
Trade Receivables	1,206.91	-	-	1,206.91
Other Financial Assets	27.06	-	-	27.06
Loans	3.34	-	-	3.34
Investments	14.29	-	-	14.29
	<b>1,278.44</b>	-	-	<b>1,278.44</b>
<b>Liabilities:</b>				
Borrowing	1,366.36	-	-	1,366.36
Trade and other payables	844.47	-	-	844.47
Other financial liabilities	3.28	-	-	3.28
	<b>2,214.11</b>	-	-	<b>2,214.11</b>

The carrying value and fair value of financial instrument by categories as of 31 March 2020 were as follows

Particulars	at amortised cost (Rs.)	at fair value through profit and loss (Rs.)	at fair value through OCI (Rs.)	Total Carrying value (Rs.)
<b>Assets:</b>				
Cash and Cash Equivalents	38.22	-	-	38.22
Trade Receivables	564.03	-	-	564.03
Other Financial Assets	29.55	-	-	29.55
Loans	2.77	-	-	2.77
Investments	17.31	-	-	17.31
	<b>651.88</b>	-	-	<b>651.88</b>
<b>Liabilities:</b>				
Borrowing	594.19	-	-	594.19
Trade and other payables	514.47	-	-	514.47
Other financial liabilities	16.07	-	-	16.07
	<b>1,124.73</b>	-	-	<b>1,124.73</b>

The carrying value and fair value of financial instrument by categories as of 31 March 2019 were as follows

Particulars	at amortised cost (Rs.)	at fair value through profit and loss (Rs.)	at fair value through OCI (Rs.)	Total Carrying value (Rs.)
<b>Assets:</b>				
Cash and Cash Equivalents	4.94	-	-	4.94
Trade Receivables	760.87	-	-	760.87
Other Financial Assets	23.00	-	-	23.00
Loans	1.79	-	-	1.79
Investments	16.44	-	-	16.44
	<b>807.04</b>	-	-	<b>807.04</b>
<b>Liabilities:</b>				
Borrowing	539.04	-	-	539.04
Trade and other payables	683.89	-	-	683.89
Other financial liabilities	24.19	-	-	24.19
	<b>1,247.12</b>	-	-	<b>1,247.12</b>

39 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2021:

Particulars	As at 31 March 2021 (Rs.)	Fair value measurement at end of the reporting year using		
		Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)
<b>Assets /Liabilities measured at fair value</b>				
<u>Financial Assets:</u>				
Non current investments	14.29	-	-	-
Other Non Current asset	321.58	-	-	-

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2020:

Particulars	As at 31 March 2020 (Rs.)	Fair value measurement at end of the reporting year using		
		Level I (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)
<b>Assets /Liabilities measured at fair value</b>				
<u>Financial Assets:</u>				
Non current investments	17.31	-	-	-
Other Non Current asset	59.57	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

Particulars	As at 31 March 2019 (Rs.)	Fair value measurement at end of the reporting year using		
		Level I (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)
<b>Assets /Liabilities measured at fair value</b>				
<u>Financial Assets:</u>				
Non current investments	16.44	-	-	-
Other Non Current asset	86.68	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The management assessed that cash and cash equivalents, Trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

40 Financial Risk Management Objectives and Policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Carrying Amount of Financial Assets and Liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

Particulars	As at 31 March 21 (Rs.)	As at 31 March 20 (Rs.)	As at 31 March 19 (Rs.)
<b>Financial assets</b>			
Non current investment	14.29	17.31	16.44
Cash and cash equivalent	26.85	38.22	4.94
Trade receivables	1,206.91	564.03	760.87
Loans	3.34	2.77	1.79
Other Non Current asset	321.58	59.57	86.68
Other financial assets	27.06	29.55	23.00
<b>At end of the year</b>	<b>1,600.03</b>	<b>711.45</b>	<b>893.72</b>
<b>Financial liabilities</b>			
Borrowings	1,366.36	594.19	539.04
Trade payables	844.47	514.47	683.89
Other financial liabilities	3.28	16.07	24.19
<b>At end of the year</b>	<b>2,214.11</b>	<b>1,124.73</b>	<b>1,247.12</b>



Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

**Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

**Exposure to credit risk**

Financial asset for which loss allowance is measured using expected credit loss model

Particulars	As at 31 March 21 (Rs.)	As at 31 March 20 (Rs.)	As at 31 March 19 (Rs.)
<b>Financial assets</b>			
Non current investment	14.29	17.31	16.44
Cash and cash equivalent	26.85	38.22	4.94
Trade receivables	1,206.91	564.03	760.87
Loans	3.34	2.77	1.79
Other financial assets	27.06	29.55	23.00
<b>At end of the year</b>	<b>1,278.44</b>	<b>651.88</b>	<b>807.04</b>

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

Particulars	As at 31 March 21 (Rs.)	As at 31 March 20 (Rs.)	As at 31 March 19 (Rs.)
<b>Trade receivables:</b>			
Less than 90 days	1,170.50	417.70	638.16
90 to 180 days	9.40	100.75	104.39
Over 180 days	27.00	45.58	18.32
	<b>1,206.91</b>	<b>564.03</b>	<b>760.87</b>

The Company has not recognised any loss allowance as the Company expect that there is no credit loss on trade receivables.

Annexure - VI Notes to Restated Consolidated Financial Statement

Amount in millions

41 Foreign currency risk

The Company operates internationally and the major portion of business is transacted in USD & EURO. The Company has Sales, Purchase, Borrowing (etc.) in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

Foreign exchange exposure is partially balanced by purchasing in goods, commodities and services in the respective currencies.

The company evaluate exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposures not specifically covered by forward exchange contracts as at year end are as follows:

Currency	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Foreign Currency	Indian Rupees (in millions)	Foreign Currency	Indian Rupees (in millions)	Foreign Currency	Indian Rupees (in millions)
USD	23,29,036	170.41	7,61,832	57.43	1,83,836	12.72
EURO	26,13,940	224.60	18,04,020	149.82	17,55,480	136.41
GBP	-	-	-	-	-	-
Other currency	-	-	-	-	1,083	0.03

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

Currency	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	1 % increase (Rs.)	1 % decrease (Rs.)	1 % increase (Rs.)	1 % decrease (Rs.)	1 % increase (Rs.)	1 % decrease (Rs.)
USD	(1.70)	1.70	(0.57)	0.57	(0.13)	0.13
EURO	(2.25)	2.25	(1.50)	1.50	(1.36)	1.36
GBP	-	-	-	-	-	-
Other currency	-	-	-	-	(0.00)	0.00

42 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate are disclosed in the respective notes to the financial statements of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Financial assets</b>			
Interest bearing - Fixed interest rate			
- Non current investment	-	-	-
- Non current fixed deposit	-	-	-
- Current fixed deposit	-	-	-
<b>Financial Liabilities</b>			
Interest bearing			
Borrowings - Floating interest rate			
- Working capital loan in rupee	1,366.36	594.19	222.74
Borrowings - Fixed interest rate			
- Banks & Financial institutions	-	-	172.60

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Increase in 100 bps points			
Effect on profit before tax	(13.66)	(5.94)	(2.23)
Decrease in 100 bps points			
Effect on profit before tax	13.66	5.94	2.23

43 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2021, 31 March 2020 and 31 March, 2019 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

Particulars	On demand (Rs.)	Less than 3 months (Rs.)	3 to 12 months (Rs.)	1 to 5 years (Rs.)	> 5 years (Rs.)	Total (Rs.)
<b>Year ended 31 March 2021</b>						
Borrowings	-	30.96	608.95	726.44	-	1,366.36
Other financial liabilities	-	3.28	-	-	-	3.28
Trade and other payables	-	831.64	12.79	0.03	-	844.47
	-	<b>865.89</b>	<b>621.75</b>	<b>726.47</b>	-	<b>2,214.11</b>
<b>Year ended 31 March 2020</b>						
Borrowings	-	13.56	381.63	199.01	-	594.19
Other financial liabilities	-	14.39	1.54	0.13	-	16.07
Trade and other payables	-	446.10	68.14	0.23	-	514.47
	-	<b>474.05</b>	<b>451.31</b>	<b>199.37</b>	-	<b>1,124.73</b>
<b>Year ended 31 March 2019</b>						
Borrowings	-	-	318.05	221.00	-	539.04
Other financial liabilities	-	-	80.79	-	-	80.79
Trade and other payables	-	548.53	135.07	0.28	-	683.89
	-	<b>548.53</b>	<b>533.91</b>	<b>221.28</b>	-	<b>1,303.72</b>

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

#### 44 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 of the parent. 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. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31 March 21 (Rs.)	As at 31 March 20 (Rs.)	As at 31 March 19 (Rs.)
Borrowings	1,366.36	594.19	539.04
Trade payables	844.47	514.47	683.89
Other financial liabilities	3.28	16.07	24.19
Less: cash and cash equivalents	(26.85)	(38.22)	(4.94)
<b>Net debt (a)</b>	<b>2,187.26</b>	<b>1,086.52</b>	<b>1,242.18</b>
Total equity			
Total member's capital	1,669.33	1,118.14	822.20
<b>Capital and net debt (b)</b>	<b>3,856.59</b>	<b>2,204.65</b>	<b>2,064.38</b>
<b>Gearing ratio (%) (a/b)*100</b>	<b>56.71</b>	<b>49.28</b>	<b>60.17</b>

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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

#### 45 Estimates

The estimates at 31 March 2021, 31 March 2020 and 31 March 2019 are consistent with those made for the same dates in accordance with Ind As(after adjustments to reflect any differences in accounting policies).

#### 46 Balances in the accounts of Trade Receivables, Loans and Advances, Trade Payables and Other Current Liabilities are subject to confirmation / reconciliation, if any. The management does not expect any material adjustment in respect of the same effecting the financial statements on such reconciliation / adjustments.

#### 47 There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)-36 'Impairment of Assets.

#### 48 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
Profit attributable to equity holders of the parent for basic earnings (Rs.)	539.99	274.70	232.95
Weighted average number of equity shares for basic and diluted earning per share	3,15,00,000	3,15,00,000	3,15,00,000
Face value per share	10	10	10
Basic earning per share	17.14	8.72	7.40
Diluted earning per share	17.14	8.72	7.40

\*After considering the impact of issue of bonus shares in the ratio of 2 equity shares of Rs.10 each, for every 1 equity shares of Rs.10 each at the EGM held on March 31, 2021. 2,10,00,000 Bonus Equity Shares have been allotted on March 31, 2021 and equity share capital of the company has increased to 3,15,00,000 (No. of Shares).

**Annexure - VI Notes to Restated Consolidated Financial Statement**

49 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

**For the year ended 31 March 2021**

Name of Entities	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in OCI	
	As % of consolidated net assets	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)
<b>Parent:</b>						
Ami Organics Limited	98.21%	1,639.51	100.00%	539.99	3.17%	(0.28)
<b>Joint Venture</b>						
Ami Oncotheranostics LLC	20.84%	347.85	-1.78%	(9.59)	0.00%	-
Elimination	-19.06%	(318.15)	1.78%	9.59	96.83%	(8.52)
Foreign Currency Translation	0.01%	0.12	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>1,669.33</b>	<b>100.00%</b>	<b>540.00</b>	<b>100.00%</b>	<b>(8.80)</b>

**For the year ended 31 March 2020**

Name of Entities	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in OCI	
	As % of consolidated net assets	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)
<b>Parent:</b>						
Ami Organics Limited	96.57%	1,079.80	100.00%	274.70	7.65%	1.09
<b>Joint Venture</b>						
Ami Oncotheranostics LLC	26.87%	300.43	-0.38%	(1.04)	0.00%	-
Elimination	-23.67%	(264.66)	0.38%	1.04	92.35%	13.11
Foreign Currency Translation	0.23%	2.57	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>1,118.14</b>	<b>100.00%</b>	<b>274.70</b>	<b>100.00%</b>	<b>14.20</b>

**For the year ended 31 March 2019**

Name of Entities	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in OCI	
	As % of consolidated net assets	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)	As % of consolidated profit	Rs. (in millions)
<b>Parent:</b>						
Ami Organics Limited	98.68%	811.37	100.00%	232.95	7.65%	1.09
<b>Joint Venture</b>						
Ami Oncotheranostics LLC	33.64%	276.62	-0.28%	(0.66)	0.00%	-
Elimination	-32.32%	(265.71)	0.28%	0.66	92.35%	13.11
Foreign Currency Translation	-0.01%	(0.09)	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>822.20</b>	<b>100.00%</b>	<b>232.95</b>	<b>100.00%</b>	<b>14.20</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

50 RELATED PARTY DISCLOSURES

i) Related party relationships:

Particulars	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Joint Venture</b>			
Enterprises in which key management personnel have significant influence	Ami Oncotheranostics Llc	Ami Oncotheranostics Llc	Ami Oncotheranostics Llc
<b>Key managerial personnel</b>	Chetankumar C. Vaghasia Girishbhai L. Chovatia (till 31st March, 2021) Nareshbhai R. Patel Virendra Nath Mishra (From 03.03.2021) Abhishek Patel (CFO) Vishalkumar Laxmilal Shah ( till 8th November 2020) Mitali Chauhan (From 9th November 2020 to 21st february 2021) Ekta kumari Srivastava (w.e.f. 22nd February 2021)	Chetanbhai C. Vaghasia Girishbhai L. Chovatia Nareshbhai R. Patel Abhishek Patel (CFO) Vishalkumar Laxmilal Shah ( w.e.f. 25th February 2020) Alpesh Makwana (upto 14th June, 2019)	Chetanbhai C. Vaghasia Girishbhai L. Chovatia Nareshbhai R. Patel Abhishek Patel (CFO) Alpesh Makwana
<b>Independent Director</b>	Mr. Girikrishna S. Maniar (Independent Director) Mis. Kamini Shah (Till 31st March, 2021)	Mr. Adarsh Paul Singh (Independent Director) (upto 5th September 2019) Mr. Girikrishna S. Maniar (Independent Director) Mis. Kamini Shah (Independent Director)	Mr. Adarsh Paul Singh (Independent Director) Mr. Girikrishna S. Maniar (Independent Director) Mis. Kamini Shah (Independent Director)
<b>Relative of key management personnel</b>	Kiranben G. Chovatia Parulben C. Vaghasiya Shitalben N. Patel	Kiranben G. Chovatia Parulben C. Vaghasiya Shitalben N. Patel	Kiranben G. Chovatia Parulben C. Vaghasiya Shitalben N. Patel
<b>Enterprises in which relative of key management personnel have significant influence</b>	Ami Lifesciences Pvt Ltd. Ami Procure Private Limited Religen Inc Ami Oncotheranostics Pvt Ltd. (under strike off) Prodigy Biotech Inc	Ami Lifesciences Pvt Ltd. Ami Procure Private Limited Religen Inc Ami Oncotheranostics Pvt Ltd. Prodigy Biotech Inc Shivay Enterprise	Ami Drugs & Specialty Chemicals Pvt Ltd. Ami Lifesciences Pvt Ltd. Ami Procure Private Limited Religen Inc Ami Oncotheranostics Pvt Ltd. Prodigy Biotech Inc Shivay Enterprise

**Notes:**

- The related party relationships have been determined on the basis of the requirements of the Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year /previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

Annexure - VI Notes to Restated Consolidated Financial Statement

ii. Transactions with related parties:

Particulars	Amount in millions		
	Current Year 2020-21 (Rs.)	Previous Year 2019-20 (Rs.)	Previous Year 2018-19 (Rs.)
<b>Investment in Joint Venture</b>			
Ami Oncotheranostics Llc	-	31.54	5.29
<b>Total</b>	<b>-</b>	<b>31.54</b>	<b>5.29</b>
<b>Advances for Land</b>			
Shitalben Patel	54.00	-	-
Chetanbhai C. Vaghasiya	54.00	-	-
<b>Total</b>	<b>108.00</b>	<b>-</b>	<b>-</b>
<b>Purchases of Land</b>			
Shivay Enterprise	-	-	3.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.00</b>
<b>Remuneration &amp; Allowance to KMP, Relatives of KMP &amp; Independent Directors</b>			
Girishbhai L. Chovatiya	11.10	16.10	10.90
Kiranben G. Chovatiya	1.20	1.09	1.20
Nareishbhai R. Patel	18.00	16.47	11.70
Chetanbhai C. Vaghasiya	18.00	16.35	10.70
Shitalben N. Patel	1.20	1.09	1.20
Parulben C. Vaghasiya	1.20	1.09	1.20
Vishalkumar Laxmilal Shah	0.27	0.04	-
Alpesh Makwana	-	0.19	0.55
Mr. Adarsh Paul Singh	-	0.04	0.14
Mr. Girikrishna S. Maniar	0.51	0.30	0.24
Mis. Kamini Shah	0.50	0.20	0.20
Mis. Mitali Chauhan	0.19	-	-
Ektakmari Srivastav	0.07	-	-
Virendra Nath Mishra	0.65	-	-
Mr. Abhishek Patel (CFO)	2.34	2.09	1.83
<b>Total</b>	<b>55.22</b>	<b>55.04</b>	<b>39.85</b>
<b>Reimbursement of Expense</b>			
Ami Life Sciences Pvt. Ltd.	0.09	2.67	0.09
Ami Oncotheranostics Llc	1.93	1.93	1.93
<b>Total</b>	<b>2.02</b>	<b>4.60</b>	<b>2.01</b>
<b>Loan Taken/(Given) &amp; Repayment thereof and balance outstanding as at the year end</b>			
<b>Balance at the beginning of the year</b>			
Chetanbhai C. Vaghasiya	25.53	35.50	10.50
Girishbhai Chovatiya	24.56	35.50	10.50
Nareishbhai Patel	23.04	34.00	10.50
<b>Loan Taken/(Given)</b>			
Chetanbhai C. Vaghasiya	-	-	25.00
Girishbhai Chovatiya	-	-	25.00
Nareishbhai Patel	-	7.00	25.00
<b>Repaid during the year</b>			
Chetanbhai C. Vaghasiya	25.53	9.97	-
Girishbhai Chovatiya	16.35	10.94	-
Nareishbhai Patel	23.04	17.96	1.50
<b>Balance Outstanding at the year end</b>			
Chetanbhai C. Vaghasiya	-	25.53	35.50
Girishbhai Chovatiya	8.21	24.56	35.50
Nareishbhai Patel	-	23.04	34.00
<b>Total</b>	<b>8.21</b>	<b>73.14</b>	<b>105.00</b>

Annexure - VI Notes to Restated Consolidated Financial Statement

51 Research and Development Expense

Amount in millions			
Particulars	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>(a) Capital Expenditure</b>			
Finished	30.79	1.73	5.53
Work in Process	-	62.75	-
<b>(b) Revenue Expenditure :</b>			
(i) Salary Expense	23.32	17.86	12.47
(ii) Consumable Stores R & D	7.11	2.42	2.17
(iii) Analysis Charges R & D	-	-	0.26
(iv) Power & Fuel	2.09	-	1.53
(v) Material Purchase	0.30	1.10	1.55
(vi) Leave Encashment Expense	0.19	-	-
(vii) Other Expenses	-	0.03	-
(viii) Traveling Expenses-R&D	0.01	0.05	0.00
(ix) Traveling & Seminar Exp.-R&D	-	-	0.12
(x) Repair & Maintenance Exp (R&D)	1.18	-	-
<b>Total</b>	<b>34.20</b>	<b>21.46</b>	<b>18.10</b>
<b>Total Capital &amp; Revenue Expenditure</b>	<b>64.99</b>	<b>85.94</b>	<b>23.63</b>

**Annexure - VI Notes to Restated Consolidated Financial Statement**

**52 Events after the end of the reporting period**

No subsequent event has been observed which may require an adjustment to the statement of financial position.

**53** In the opinion of the Management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business and are subject to confirmation.

**54** The tax rate used for the reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which gives a one time irreversible option to domestic companies for payment of corporate tax at reduced rates. Accordingly, the Company has re-measured its deferred tax asset (net) basis the rate prescribed in the said section.

**55** The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the financial results of the Company. While evaluating the impact, the Company has considered possible future uncertainties in the economic conditions because of the pandemic. However, considering the operations of the Company, there has been no material impact on the financial position/ results of the Company. Given the Uncertainties associated with the nature and duration of this pandemic the eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment their Impact on its business in the times to come.

**56** The Company, has acquired two Business as going concerns on slump sales basis from M/s Gujarat Organics Limited through execution "Business Transfer Agreement" with effect from 31.03.2021. The plant are located at (1) Plot No. 127/1, Ankleshwar Industrial Estate, Gujarat and (2) Plot No. 910/1/B, Jhagadia Industrial Estate, Jhagadia, District Bharuch, Gujarat. Business acquired includes together with its Immovable and movable assets, Working Capital, books and records, Intellectual property, employee, goodwill, insurance and all other business rights for an aggregate consideration of Rs.22.95 Crores & Rs.69.95 Crores respectively.

**57** Previous period/years figure have been regrouped/rearranged wherever necessary, to correspond with the current period / year classification / disclosures.

**Signatures to Notes 1 to 57**

As per our report of even date attached

**For Maheshwari & Co.**  
**Chartered Accountants**  
**FRN 105834W**

**For and on behalf of the Board of directors of Ami organics Limited**

**Pawan Gattani**  
 Partner  
 Membership No.: 144734

**Chetankumar C. Vaghasia**  
 Whole Time Director  
 (DIN-01375540)

**Nareshbhai R. Patel**  
 Chairman & Managing Director  
 (DIN-00906232)

Place: Mumbai  
 Date: 7th May, 2021

Place: Surat  
 Date: 7th May, 2021

**Ekta Kumari**  
 Company Secretary  
 A - 27323

**Abhishek Patel**  
 Chief Financial Officer  
 (Pan-AKNPP5102F)



Annexure VII Notes on material adjustments and regroupings to audited consolidated financial statements

Part A: Statement of Restatement Adjustments to Audited Financial Statements

Amount in millions

Reconciliation between audited profit and restated profit

Particulars	Note No.	Year Ended 31st March, 2020 (Rs.)	Year Ended 31st March, 2019 (Rs.)	Year Ended 31st March, 2018 (Rs.)
Profit after tax(as per audited financial statements)		292.93	260.01	186.61
<b>Adjustments:</b>				
Rectification of Prior Period error	1	2.86	(14.47)	(3.19)
Deferred tax assets/(liabilities) as per Ind AS 12	2	1.18	1.61	-
Prior Period Tax Adjustments	3	(1.03)	-	-
<b>Restated profit after tax</b>		<b>295.94</b>	<b>247.15</b>	<b>183.42</b>

Reconciliation between audited equity and total restated equity

Particulars	Note No.	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)	As at 31 March 2018 (Rs.)
Total equity as per Consolidated audited Financial statements		1,114.89	821.96	578.24
<b>Adjustments:</b>				
Rectification of Prior Period error	1	1.49	(1.37)	(3.19)
Deferred tax assets/(liabilities) as per Ind AS 12	2	2.79	1.61	-
Prior Period Tax Adjustments	3	(1.03)	-	-
<b>Total Equity as per Restated Consolidated financial statements</b>		<b>1,118.14</b>	<b>822.20</b>	<b>575.05</b>

Notes:

Notes to Adjustment of Restatement

1 Rectification of Prior Period Error

Prior Period Expenses has been Rectified/ Charged to the year in which it is incurred.

2 Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

3 Tax Impact of Ind As Adjustments/Restatement Adjustment

Ind As & Restatement Profit has been Changed due to Ind As & Restatement Adjustment accordingly Tax Impact on the Ind As & Restatement Adjustment has been Computed.

Part B Material Regrouping

Appropriate regroupings have been made in the Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the year ended March 31, 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended

Part C Non Adjusting items

Restated Summary Statements does not contain any qualifications requiring adjustments, however, our reports for the year ended March 31, 2021 includes an emphasis of matter on impact of COVID 19 on operations of the Company. Also, qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements are as follows:

As at and for the year ended March 31, 2021

(a) Emphasis of matter relating to the impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

(b) Annexure to Auditor's report for the financial year ended March 31, 2021

Clause (vii) (b)

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs in. Million )
The Income tax Act, 1961	Income Tax	CIT Appeal	2016-17	16.47

As at and for the year ended March 31, 2020

(a) Emphasis of matter relating to the impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

(b) Annexure to Auditor's report for the financial year ended March 31, 2020

Clause (vii) (b)

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs in. Million )
The Income tax Act, 1961	Income Tax	Commissioner	2007-08	0.67

As at and for the year ended March 31, 2019

(a) Annexure to Auditor's report for the financial year ended March 31, 2019

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs in. Million )
The Income tax Act, 1961	Income Tax	Commissioner	2007-08	0.77

As at and for the year ended March 31, 2018

(a) Annexure to Auditor's report for the financial year ended March 31, 2018

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs in. Million )
The Income tax Act, 1961	Income Tax	Commissioner	2007-08	0.73

**Annexure VIII - Consolidated capitalisation statement**

Particulars	Amount in millions	
	Pre-offer as at March 31, 2021 Rs.	As adjusted for offer (Refer note 5 below) Rs.
<b>Debt</b>		
Short term borrowings (A)		
Current financial liabilities - Borrowings	445.31	[*]
Current maturities of long term borrowings	194.60	[*]
Non-current financial liabilities - Borrowings (B)	726.44	[*]
<b>Total borrowings (C=A+B)</b>	<b>1,366.36</b>	[*]
<b>Shareholders' funds</b>		
Share capital	315.00	[*]
Reserves and surplus, as restated:	1,354.33	[*]
<b>Total shareholders' funds (D)</b>	<b>1,669.33</b>	[*]
Long term debt/ equity (B/D)	0.44	[*]
<b>Total Debt/ equity (C/D)</b>	<b>0.82</b>	[*]

**Notes:**

1. Long term debt / equity has been computed as

$$\frac{\text{Non-current financial liabilities}}{\text{Total Shareholders Fund}}$$

2. Total debt / equity has been computed as

$$\frac{\text{Total borrowings}}{\text{Total Shareholders Fund}}$$

3. Short term borrowings represents borrowings due within 12 months from the balance sheet date.

4. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

5. [\*]Post Issue Capitalization will be determined after finalization of issue price.

6. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

7. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure I, II and IV.

**Restated Statement of Accounting Ratio**

Particulars	Amount in millions		
	As at 31 March 2021 (Rs.)	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Profit attributable to equity holders of the parent for basic earnings	539.99	274.70	232.95
Weighted average number of equity shares for basic and diluted earning per share (No's)*	3,15,00,000	3,15,00,000	3,15,00,000
Face value per share (Rs.)	10.00	10.00	10.00
Basic earning per share (Rs.)	17.14	8.72	7.40
Diluted earning per share (Rs.)	17.14	8.72	7.40
Return on Net Worth %	32.35%	24.57%	28.33%
Net asset value per equity share (Rs)	52.99	35.50	26.10
Net Profit after tax, as restated	539.99	274.70	232.95
Share Capital	315.00	105.00	105.00
Reserves (Other equity), as restated	1,354.33	1,013.14	717.20
Net worth, as restated	1,669.33	1,118.14	822.20
Restated Profit for the period / year(A)	539.99	274.70	232.95
Tax expense(B)	177.27	72.84	118.15
Finance costs(C)	56.18	55.87	47.53
Depreciation and amortization expense (D)	41.88	35.18	26.00
Other income (E )	13.80	28.44	3.84
EBITDA (F=A+B+C+D-E)	801.53	410.16	420.80

\*EPS & NAV has been calculated after considering the impact of allotment of bonus equity shares of 9,000,000 on April 20, 2018 & 21,000,000 on March 31, 2021.

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (Rs)	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$
Diluted Earnings per share (Rs)	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$
Return on net worth (%)	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year / period}}$
Net Asset Value (NAV) per equity share (Rs)	$\frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Periods. (Refer Note 5)}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. Net Worth = Equity share capital + Other equity (including Securities Premium and Surplus/ (Deficit))

4. The above ratios have been computed on the basis of the Restated Consolidated Financial Information

5. Net asset value per equity share also have been adjusted for all the periods presented after giving effect to above mentioned issue of bonus shares.

6. EBITDA: restated profit for the period / year, adjusted to exclude (i) other income, (ii) depreciation and amortization expenses, (iii) finance costs, (iv) tax expense and (v) exceptional items.

## OTHER FINANCIAL INFORMATION

### Accounting ratios

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Restated profit/(loss) after tax attributable to equity holders (A) (₹ in million)	539.99	274.70	232.95
Weighted average number of Equity Shares outstanding during the period for basic and diluted EPS (B)	31,500,000	31,500,000	31,500,000
<b>Basic and diluted Earnings per share (₹) (C = A/B)</b>	17.14	8.72	7.40
Restated net worth for equity shareholders (A) (₹ in million)	1,669.33	1,118.14	822.20
Restated net profit/(loss) after tax attributable to equity holders (B) (₹ in million)	539.99	274.70	232.95
<b>Return on net worth (in %) (C = B/A)</b>	32.35	24.57	28.33
Restated net worth for equity holders (₹ in million) (A)	1,669.33	1,118.14	822.20
Number of equity shares outstanding as at period end (B)	31,500,000	31,500,000	31,500,000
<b>Restated net asset value per Equity Share (in ₹) (C=A/B)</b>	52.99	35.50	26.10
Restated profit/ (loss) for the period (A) (₹ in million)	539.99	274.70	232.95
Tax expense (B) (₹ in million)	177.27	72.84	118.15
Finance cost (C) (₹ in million)	56.18	55.87	47.53
Depreciation and amortisation (D) (₹ in million)	41.88	35.18	26.00
Other Income (E) (₹ in million)	13.80	28.44	3.84
<b>EBITDA (₹ in million) (A+B+C+D-E)</b>	801.53	410.16	420.80
Revenue from Operations (₹ in million)	3,406.08	2,396.43	2,385.12
<b>EBITDA / Revenue from Operations (in %)</b>	23.53	17.12	17.64

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

$$\begin{aligned}
 \text{Basic and Diluted Earnings per share (₹)} &= \frac{\text{Net profit/(loss) as restated, attributable to equity holders}}{\text{Weighted average number of Equity Shares outstanding during the period}} \\
 \text{Return on net worth (\%)} &= \frac{\text{Net profit/(loss) as restated, attributable to equity holders}}{\text{Net worth at the end of the period}} \\
 \text{Net assets value per Equity Share} &= \frac{\text{Net Worth at the end of the respective period}}{\text{Number equity shares outstanding at the end of respective period.}} \\
 \text{EBITDA} &= \text{Restated profit/(loss) for the respective period} + \text{exceptional item} + \text{tax expenses} + \text{finance costs} + \text{depreciation and amortisation} - \text{Other Income}
 \end{aligned}$$

(2) Earnings per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

(3) "Net worth" means the aggregate value of the paid-up share capital of our Company and other equity as per Restated Consolidated Financial Statements.

(4) The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.

(5) For the purposes of calculation of net asset value per share and earnings per share, the per share data has been adjusted retrospectively to give effect to the bonus issuance of Equity Shares on March 31, 2021

### Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and for our Joint Venture for Fiscals 2021, 2020 and 2019 (collectively, the "Audited Financial Statements") are available on our website at <https://www.amiorganics.com/financials-results.html>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, on the basis of our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Position and Results of Operations", "Financial Information" and "Risk Factors" on pages 269, 210 and 23, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer*
<b>Borrowings</b>		
Current borrowings	445.31	[●]
Current maturities of Non-current borrowings	194.60	
Non-current borrowings	726.44	[●]
<b>Total Borrowings</b>	<b>1,366.36</b>	<b>[●]</b>
<b>Equity</b>		
Equity share capital	315.00	[●]
Other Equity	1,354.33	[●]
<b>Total Equity</b>	<b>1,669.33</b>	<b>[●]</b>
<b>Ratio: Non-Current Borrowings/Total Equity</b>	0.44	[●]
<b>Ratio: Total Borrowings/ Total Equity</b>	0.82	[●]

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

**Note :**

- i) The above has been computed on the basis of the Restated Consolidated Ind AS Financial Information – Annexure I
- ii) The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Fiscals 2021, 2020 and 2019. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Statements included in "Restated Consolidated Financial Statements" including the schedules, annexures and notes thereto and the reports thereon, beginning on page 210.*

*Our Restated Consolidated Financial Statements have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable. Our Restated Consolidated Financial Statements differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.*

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. Also read "Risk Factors" and "– Key Factors Affecting our Results of Operations and Financial Conditions" on page 23 and 271, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market" dated May 27, 2021 (the "F&S Report") prepared and released by Frost & Sullivan and commissioned and paid for by us in connection to the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

We are one of the leading research and development ("R&D") driven manufacturers of specialty chemicals with varied end usage, focussed towards the development and manufacturing of advanced pharmaceutical intermediates ("Pharma Intermediates") for regulated and generic active pharmaceutical ingredients ("APIs") and New Chemical Entities ("NCE") and key starting material for agrochemical and fine chemicals, especially from our recent acquisition of the business of Gujarat Organics Limited ("GOL") ("Acquisition"). As per the F&S Report, we are one of the major manufacturers of Pharma Intermediates for certain key APIs, including Dolutegravir, Trazodone, Entacapone, Nintedanib and Rivaroxaban. The Pharma Intermediates which we manufacture, find application in certain high-growth therapeutic areas including anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant, commanding significant market share both in India and globally.

We have developed and commercialised over 450 Pharma Intermediates for APIs across 17 key therapeutic areas since inception and NCE, with a strong focus on R&D across select high-growth high margin therapeutic areas such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant, for use across the global pharmaceutical market. Our Pharma Intermediates used for manufacturing of APIs and NCEs portfolio has expanded from over 425 products as of March 31, 2019, to over 450 products as of March 31, 2021. We believe that our focus on R&D and continuous process improvement has positioned us as a preferred supplier to our customers. Our revenue from operations from our Pharma Intermediates business was 3,011.41 million, ₹2,178.83 million and ₹2,033.91 million respectively, for Fiscals 2021, 2020 and 2019, accounting for 88.41%, 90.92% and 85.28% of our total revenue from operations respectively, for the same periods. The sales turnover for Fiscal 2021 (which is based on verification of form GSTR-1) of the 2 plants acquired as part of the recent Acquisition, was ₹ 1,060.37 million.

In addition, we recently completed the acquisition of two additional manufacturing facilities operated by GOL which has added preservatives (parabens and parabens formulations which have end usage in cosmetics, animal food and personal care industries) and other specialty chemicals (with end usage in *inter alia* the cosmetics, dyes polymers and agrochemicals industries) in our existing product portfolio, which command significant market share globally in the supply of certain paraben derivatives, as per the F&S Report). The Acquisition is in line with our inorganic growth strategy of foraying further into the specialty chemicals sector and we believe that it will enable us to significantly diversify our existing product portfolio, with an objective of attaining inorganic expansion of our business.

As on the date of this Draft Red Herring Prospectus, we have eight process patent applications (in respect of intermediates used in the manufacture of Apixaban, Rivaroxaban, Nintedanib, Vortioxetine, Selexipag, Pimavanserin, Efinaconazole and Eliglustat) which have been published in the Official Journal of the Patent Office in India and three additional pending process patent applications for which applications were made recently, in March 2021. For further details, see “*Government and Other Approvals*” on page 305.

Along with the domestic market, we supply Pharma Intermediates used for manufacturing of APIs and NCEs to various multi-national pharmaceutical companies which cater to the large and fast-growing markets of Europe, China, Japan, Israel, UK, Latin America and the USA. In the Fiscals 2021, 2020, and 2019, our revenue from exports contributed 51.57%, 45.89% and 49.61%, respectively of our total revenue from operations. Our revenues from exports have grown at a CAGR of 21.84% between Fiscals 2019 and 2021.

We supply our products to more than 150 customers (including international customers) directly in India and in 25 countries overseas, using a distributorship network in certain cases. Some of our domestic customers include Laurus Labs Limited, Cadila Healthcare Limited and Cipla Limited and some of our key export customers include Organike s.r.l.a Socio Unico, Fermion Oy, Fabbrica Italiana Sintetici S.p.A, Chori Co. Ltd., Medichem S.A. and Midas Pharma GmbH. We have established long standing relationships with some of our key customers. Thirteen of our customers have been customers since the past 10 years and fifty of our customers have been customers since the past five years.

The speciality chemicals that we manufacture, find use in the agrochemicals and fine chemicals industry. We believe that our speciality chemicals portfolio will further be enhanced with the Acquisition. The speciality chemicals manufactured by the facilities which we acquired as part of the Acquisition, find use in cosmetics, preservatives and agrochemicals.

Our revenue from operations from our speciality chemicals business was ₹165.87 million, ₹74.33 million and ₹22.16 million respectively, for Fiscals 2021, 2020 and 2019, accounting for 4.87%, 3.10% and 0.93% of our total revenue from operations respectively, for the same periods. The revenue from operations for Fiscals 2021, 2020 and 2019 does not include revenue of the business of GOL which was recently acquired as the Acquisition was completed on March 31, 2021.

We have three manufacturing units located at (i) GIDC, Sachin, Gujarat, spread over an aggregate land area of 8,250 sq. mtrs. with an installed capacity of 2,460.00 MTPA (“**Sachin Facility**”), (ii) GIDC, Ankleshwar Industrial Estate, Gujarat, spread over an aggregate land area of 10,644 sq. mtrs. with an installed capacity of 1,200.00 MTPA (“**Ankleshwar Facility**”), and (iii) GIDC Industrial Estate, Jhagadia, Gujarat, spread over an aggregate land area of 56,998.35 sq. mtrs. with an installed capacity of 2,400.00 MTPA (“**Jhagadia Facility**” and together with Sachin Facility and Ankleshwar Facility, the “**Manufacturing Facilities**”). Of the above, the Ankleshwar Facility and Jhagadia Facility have been recently acquired by us from GOL. Our Sachin Facility is inspected and approved (EIR issued) by US FDA for manufacture and supply of advanced pharmaceutical intermediates for manufacturing of APIs and NCEs since 2016. The management systems of our Sachin Facility has been certified by the Bureau Veritas Certification Holding SAS – UK Branch to be compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and SA 8000:2014 for designing, manufacturing and dispatching of pharmaceutical intermediates for bulk drugs. Similarly, our Jhagadia and Ankleshwar Facilities, which have been acquired by our Company in the Fiscal 2021 are compliant with ISO 9001:2015 and ISO 14001:2015 standards.

We continually invest in R&D activities to stay ahead and create a differentiating factor and sustainability vis-à-vis our competitors. In addition to the Manufacturing Facilities, we have a dedicated in-house R&D facility located in GIDC, Sachin (“**R&D Facility**”) spread over an aggregate built-up area of 2,200 sq. mtrs and is also supported by our analytical development laboratory (“**ADL**”) in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates, key starting materials



(KSMs) and raw materials. Our R&D facility has been approved and certified by the DSIR.

For the Fiscals 2021, 2020 and 2019, our revenue from operations were ₹ 3,406.08 million, ₹ 2,396.43 million and ₹ 2,385.12 million, respectively. Our revenue from operations, on a consolidated basis, grew at a CAGR of 19.50% between the Fiscals 2019 and 2021. For the Fiscals 2021, 2020 and 2019, our restated profit after tax for the year was ₹ 539.99 million, ₹ 274.70 million and ₹ 232.95 million, respectively. Our restated profit after tax, grew at a CAGR of 52.25% between the Fiscals 2019 and 2021.

## KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The results of our operations and our financial conditions are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in “**Risk Factors**”, beginning on page 23. The following is a discussion of certain factors that we believe have had and will continue to have or expected to have a significant effect on our financial conditions and results of operations:

### R&D and innovation efforts and growth of our new products

Our business depends to a significant degree on the outcome our R&D and innovation efforts as well as the growth of our new products. We need to continually invest in R&D activities to stay ahead and create a differentiating factor and sustainability vis-à-vis our competitors. We have a dedicated R&D Center that is recognized by the Department of Scientific and Industrial Research (“**DSIR**”), Government of India, at GIDC, Sachin in Surat.

We are focused on undertaking dedicated R&D in our existing product lines and in areas where we believe there is significant growth potential. Our Company has strong market research-based model wherein it focuses on development of advanced pharmaceutical intermediates either for molecules which are under clinical trials; or for molecules which have been launched. Based on our existing business strategy of early identification of molecules for development and supply, we have developed and commercialised over 460 Pharma Intermediates for APIs including Dolutegravir, Trazodone, Entacapone, Aripiprazole and Lurasidone and NCEs across 17 high growth therapeutic areas such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant. Some of the leading APIs and our market share for which we supply Pharma Intermediates are as below:

S. No.	Pharma Intermediates	API	Market Share as per F&S Report
1.	1-(3-Chloro Phenyl) 4-(3-Chloro Propyl) Piperazine H, 2H-[1,2,4] Triazolo [4,3-A] Pyridin-3-One, 1-(3-Chloro Phenyl) Piperazine	Trazodone	Ami Organics is the key supplier of these intermediates with a market share of 80-90% in Fiscal 2021. Further Ami Organics is the major manufacturer of key intermediates for the APIs belonging to atypical antidepressants drug class.
2.	Amino Acetaldehyde Dimethyl Acetal, N-N Dimethyl Formamide Dimethyl Acetal, Methyl-4-Methoxy Acetoacetate, 1-(2,2-Dimethoxy Ethyl)-5-Methoxy-6-(Methoxy Carbonyl)-4-Oxo-1, Diacetal-3-Carboxylic Acid	Dolutegravir	For Amino Acetaldehyde Dimethyl Acetal intermediate, Ami organics is the leader and accounts for a global market share of 70-75% in Fiscal 2021.
3.	3,4-Di Hydroxy 5-Nitro Benzyl Dehyde	Entacapone	Ami Organics is the key supplier of 3,4-Di Hydroxy 5-Nitro Benzyl Dehyde with a market share of ~80% in Fiscal 2021.
4.	5,6-Dihydro-3-(4-Morpholinyl)-1-4 (2-Oxo-1-Piperidin), Ethyl Chloro [(4-Methoxyphenyl) Hydrazono] Acetate, 3-Morpholino-1-(4-Nitrophenyl)5, 6-Dihydropyridin-2, 1-(4-Amino Phenyl)-5, 6-Dihydro-3-(4-Monopholinyl)-2, 2-Piperidone, 1-(4-Aminophenyl)Piperidin-2-One, 1-(4-Iodophenyl) Piperidine-2-One, 3-Morpholine-4-Iodophenyl-5,6-Dihydro-2-Piperidone, 1-4 Iodophenyl-3-Morpholino 5-6 Dihydro Pyrdine, 1-(4-Aminophenyl)-3-(Morpholin-4-Yl)-5-6-Dihydropyr, 5,6-Dihydro-3-(4-	Apixaban	Ami Organics is one of the larger players in the market contributing to ~50% of the total market in Fiscal 2021 of 1-(4-Amino Phenyl)-5,6-Dihydro-3-(4-Monopholinyl)-2 ~40% of Ethyl Chloro [(4-Methoxyphenyl) Hydrazono] Acetate.

S. No.	Pharma Intermediates	API	Market Share as per F&S Report
5.	Morpholinyl)-1-(4-Nitrophenyl)-2 (S)-(+)-Glycidyl Phthalimide, 4-(4-Aminophenyl) Morpholin-3-One	Rivaroxaban	Ami Organics is one of India's largest producers of its key intermediates Glycidyl Phthalimide and 4-(4-Aminophenyl) Morpholin-3-One.
6.	Triethyl Ortho Benzoate, 6-Methoxy Carbonyl-2-Oxindole, 4-Chloro-3-Nitro Benzoic Acid, N-Methyl-4-Nitroaniline, N-(Methyl-2-(4-Methyl Piperazine-1-Yl)-N-(4-Aminoph), N-Methyl Piperazine	Nintedanib	Ami Organics is a supplier to the originator for key intermediates for producing Nintedanib.
7.	2,4-Dichloropyrimidine, 5-Amino-2-Methyl Benzene Sulphonamide	Pazopanib	Ami Organics is the major manufacturer of one of the key intermediates for Pazopanib API and hold a market share of 86–88% in the global market of its intermediate 2,4-Dichloropyrimidine.
8.	1-(2-(2-Hydroxy Ethoxy)Ethyl Piperazine, Dibenzo-(1,4)-Thazepine-11-(10H)-One	Quetiapine	Ami Organics is the major manufacturer of the key intermediates for this API.
9.	1-(2,3-Dichloro Phenyl) Piperzine	Aripiprazole	Ami Organics is the major manufacturer of the key intermediates for Aripiprazole API and has customers across the world.
10.	Methyl-5-Acetal-1H-Pyrazole-3-Carboxylate	Darolutamide	Ami Organics is the major manufacturer of one of the key intermediates for this API.
11.	3-(1-Piperazinyl)1,2-Benzisothiazole Hcl	Ziprasidone/ Lurasidone	Ami Organics is the major manufacturer of the key intermediates for these API.
12.	1-Boc Piperazine, 2,4 Dimethyl Thiophenol, 1(3-Carboxypyridyl-2)2-Phenyl 4-Methyl Piperazine, 1-Methyl-3-Phenyl Piperazine, 1-(3-Hydroxymethyl-Pyridin-2-Yl)-4-Methyl-2-Pp, 1-(3-Corboxypyrdyl-2)2-Phenyl 4-Methyl Piperazine, Ethyl-5-Amino-1-Benzofuran-2-Carboxylate, 1-(2-Aminocarbonyl Benzofuran-5-Yl)Piperzi	Mirtazapine/ Vortioxetine/ Vilazodone	These are an atypical antidepressant medicine and Ami Organics is the major manufacturer of key intermediates for the APIs belonging to atypical antidepressants drug class.

Our Pharma Intermediates used for manufacturing of APIs and NCEs portfolio has expanded from over 425 products as of March 31, 2019, to over 460 products as of March 31, 2021, which enables us to cater to a wide range of customers in domestic and international markets.

In line with our focus on R&D activities, we have also made an investment in our Joint Venture, Ami Oncotheronostic LLC, a Delaware, USA in 2015 (“AOL”), which is engaged in the business of commercialisation, production, marketing and selling of certain licenced products which, *inter alia*, include patents and know-how of certain products and compounds in various geographic locations except China (including Macau, Hong Kong and Taiwan) and south east Asian countries..

To develop our product pipeline, we commit substantial time, funds and other resources in R&D. In terms of our R&D spent, we have incurred an expenditure of ₹ 64.99 million, ₹ 85.94 million and ₹ 23.63 million towards R&D activities during the Fiscals 2021, 2020 and 2019 representing 1.91%, 3.59%, and 0.99% of our revenue from operations in such periods, respectively. We have a team of 66 R&D professionals at our R&D Centre, of which seven hold Ph.Ds. and 39 hold a master's degree.

In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. We strive to keep our technology, facilities and machinery current with the latest international standards. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff is significant and affects our results of operations and cash flows.

#### Expansion of our existing product categories

Our ability to develop and manufacture products is critical to launch new products and grow revenues. Our results of operations also depend on our ability to manufacture existing and new products for sale in India and abroad.

Our manufacturing process is designed to facilitate production flexibility and deliver high and consistent product quality. We consider that diversification of our product portfolio across our multiple manufacturing units (including the units recently acquired by our Company) mitigates our exposure to regulatory risk with respect to any particular manufacturing unit and provides increased certainty of supply.

Specifically, owing to the Acquisition of GOL, we have acquired the preservatives (parabens and parabens formulations which have end usage in cosmetics, animal food and personal care industries) and specialty chemicals business of GOL (with end usage in *inter alia* the cosmetics, dyes and agrochemicals industries), by which our product portfolio has expanded significantly. Further in the certain Parabens derivative our acquired products commands significant market shares globally (*Source: F&S Report*). We believe that this acquisition will also enable us to significantly diversify our existing product portfolio.

We expect our revenue to continue to grow due to both continued commercial success of our existing products and the launch of new products. The timing of new product launches and their commercial success will impact our results of operations. Our future growth is dependent on our ability to expand our product segments. The process of expanding our business requires long-term investments and commitment of significant resources before knowing whether these investments will eventually result in businesses that achieve customer acceptance (which, in turn, is dependent on whether the relevant products of our customers achieve market acceptance) and generate the revenues required to provide desired returns. We may face difficulties in developing and growing the demand for our new products, which may affect our result of operations. Please see “**Risk Factors - Our operations are dependent on continuous R&D to develop and commercialise products, our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands may adversely affect our business.**” on page 26.

### **Our Relationship with Customers**

We supply our products to more than 150 customers (including international customers) directly in India and in 25 countries overseas, using a distributorship network in certain cases. Some of our key customers include Organike s.r.l.a Socio Unico, Fermion Oy, Fabbrica Italiana Sintetici S.p.A, Mylan Laboratories Limited, Cadila Healthcare Limited, Chori Co. Limited, Laurus Labs Limited, Medichem S.A., Midas Pharma GmbH, Wavelength Enterprises Limited, Cipla Limited and Natco Pharma Limited.

We have established long standing relationships with some of our key customers. 13 of our customers have been our customers since the past 10 years and 50 of our customers have been customers since the past five years. Further our top ten customers for Fiscal 2021 have been our customers for over 3 years and who have contributed to 60.99% of our total revenue from operations.

Our top five customers constituted 44.43%, 44.61% and 44.81% of our revenue from operations for the Fiscal 2021, 2020 and 2019, respectively. The demand from our customers, in particular our top five customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand from corporate and government buyers, as well as general trends in the global pharmaceutical industry. Our sales to our key customers are conducted on the basis of purchase orders that they place with us from time to time. Most of our customers provide us with forecasts of order volumes that help us estimate our production volumes and our revenue for that particular product. However, it is difficult for us to predict with certainty when our customers will decide to increase or reduce inventory levels or levels of production, which strategic direction they will pursue, when they might launch new products or open new facilities, or whether future inventory levels will be consistent with historical levels.

### **Volume of Products Manufactured and Sold**

Since our inception in 2004 we have developed and commercialised over 460 Pharma Intermediates and NCEs across 17 key therapeutic areas, with a strong focus on R&D across select high-growth high margin therapeutic areas such as anti-retroviral, anti-inflammatory, anti-psychotic, anti-cancer, anti-Parkinson, anti-depressant and anti-coagulant, for use across the global pharmaceutical market. Our revenue from operations, on a consolidated basis, our sales grew at a CAGR of 19.50% between the Fiscal 2019 and Fiscal 2021. In order to meet the growing demand for our products, we have also undertaken an expansion of our Sachin Facility.

As per the F&S Report, the Government of India’s proposition to support local manufacturing of many possible raw materials and intermediates especially in the pharmaceutical space will enhance the growth in domestic market and reduce imports, especially from China. With shift in investments from regulated markets like Europe

to developing countries like India, domestic production is expected to increase, reducing dependency on imports encouraging the current trend of exports of intermediates to grow substantially. With many global end users looking for alternative to China, India stands as an immediate alternate due to its significant years of experience in handling global regulatory requirements, strong process know how, strength in R&D and low cost. India has good number of well-trained chemists and R&D scientists to support the ever-evolving pharmaceuticals industry. To take advantage of this shift and expand our speciality chemicals portfolio our Company has acquired two facilities i.e., the Ankleshwar Facility and the Jhagadia Facility from Gujarat Organics Limited which has resulted in increase in installed capacity by 1,200 MTPA and 2,400 MTPA, respectively. With addition of these facilities our total installed capacity has increased to 6,060 MTPA. Our aggregate capacity utilization of Sachin Facility was 63%, 46% and 36% in Fiscals 2021, 2020 and 2019 respectively.

Actual volumes and specifications of customer orders are fixed only if and when customers place purchase orders with us. Our actual production volumes may differ significantly from our estimates due to variations in product demand. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers. Further, since the number of purchase orders that our customers place with us may differ from quarter to quarter, our revenues, results of operations and cash flows have fluctuated in the past and we expect this trend to continue in the future.

### **Availability and Cost of Raw Materials**

Our cost of raw materials consumed constitutes the largest component of our expenses structure. For Fiscals 2021, 2020 and 2019, our cost of raw materials consumed was ₹1,746.87 million, ₹1,378.99 million and ₹1,520.52 million, comprising 51.29%, 57.54% and 63.75% of our total revenue from operations, respectively. The key raw materials that we use for our manufacturing operations include including Chloroacetaldehyde Dimethylacetal, Semicarbazide Hcl, Meta Chloro Aniline, 1-Bromo 3-Chloro Propane and Bis-(2-Chloethyl) Amine Hcl etc. We identify and approve multiple vendors to source our key raw materials and we place purchase orders with them from time to time. We currently source our key raw materials domestically and from vendors in China, Japan and Europe. Our domestic purchase was 73.22%, 62.62% and 65.65% of our total raw material purchase during Fiscal 2021, 2020 and 2019, respectively and 19.39%, 21.85% and 22.11%, of our total raw material purchases during Fiscals 2021, 2020 and 2019 were imported from China, respectively.

As we continue to grow our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. 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. We are thus exposed to fluctuations in availability and prices of our raw materials and we may not be able to effectively pass on any increase in cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes.

### **Nature of Operations**

Due to the various hazards associated with the production of chemicals, such as the use, handling, processing, storage and transportation of hazardous materials, as well as accidents such as leakage or spillages of chemicals, we have incurred significant capital expenditure in installing machinery and equipment to control the discharge of effluents including: (i) a Zero Liquid Discharge based effluent plant spread at Sachin Facility; (ii) a state of art effluent treatment plant equipped with zero liquid discharge solutions including multiple effect evaporator, reverse osmosis for purification of waste and bioreactors for treatment of effluents and removal of organic load at Jhagadia Facility; (iii) a soil biological treatment system (“**SBT System**”) based on bioconversion process adopted by our Company; and (iv) an RO plant with a pre-treatment section consisting of pressure sand filter, activated carbon filter and micron filters followed by chemical dosing system such as Antiscalent, SMBS and HCL. Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered or if required remediation of known conditions becomes more extensive than expected. If we fail to comply with present and future environmental laws and regulations, we could be subject to future liabilities or the suspension of production, which could harm our business or results of operations.

### **Competition**

Our industry is highly competitive market with several major players present, and therefore it is challenging to improve market share and profitability. Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic

reach, broader product ranges or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations, cash flows and financial condition.

Further, the industry in which we operate presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. From the product testing stage, to the batch procurement phase, to the eventual customer approval stage – acquiring a new end customer typically takes a significant amount of time and effort, depending on product complexity. Further, customers in general avoid sharing product related information with numerous manufacturers in order to restrict the spread of confidential information and as a result, customers typically select manufacturers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such manufacturers.

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 qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations, cash flows and financial condition.

Our ability to compete successfully will depend, in significant part, on our ability to differentiate and effectively supply our products, reduce costs by improving productivity, eliminating redundancies, adapting to new technologies and ability to attract and retain personnel with appropriate technical abilities.

### **Impact of COVID-19 pandemic**

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain countries have reinstated lockdown conditions due to a “second wave” of the COVID-19 outbreak and the discovery of new strains of the coronavirus, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions. The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The steps taken to counter the effects of the pandemic had resulted in a period of economic downturn and business disruption in India and globally. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. For details of our customers, refer to “*Our Business – Our Customers*” on page 162. Companies have faced disruptions in manufacturing and their supply chains. The disruptions in supply chain and logistics led to decreased inventory levels which in turn affected the supply of products to end consumers. In view of the fluidity of the situation and lack of visibility on the timeline for containment of the global pandemic, the recovery trajectory remains uncertain.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and drug development projects; disruptions or restrictions on our employees’ and suppliers’ ability to work and travel; volatility in foreign exchange rates; any extended period of remote work arrangements; and strain on our or our customers’ business continuity plans, and resultant operational risk. The COVID-19 pandemic, or any future pandemic or widespread public health emergency could therefore materially and adversely impact our business, financial condition, cash flows and results of operations.

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of preparation of financial statements**

#### ***Investments in associates and joint ventures***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control

of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the Proportionate consolidation. Proportionate consolidation is a method of accounting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

The Group discontinues the use of the proportionate consolidation method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value;
- Employee share-based payments – measured at fair value;
- Biological assets – measured at fair value;
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

These Restated Consolidated Financial Statements have been prepared by the Management for the purpose of preparation of the restated financial statements as required under the SEBI ICDR Regulations as amended from time to time, issued by the SEBI on September 11, 2018, in pursuance of the SEBI Act for the purpose of inclusion in the DRHP in connection with its proposed initial public offering of equity shares of face value of ₹10 each of the Company comprising a fresh issue of equity shares prepared by the Company in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act;

The Restated Summary Statements have been compiled from:

- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2021, 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, which have been approved by the Board of Directors at their meeting held on May 7, 2021.
- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2020, 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, which have been approved by the Board of Directors at their meeting held on September 17, 2020.
- Audited Consolidated financial statements of the Company as at and for year ended March 31, 2019, 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, which have been approved by the Board of Directors at their meeting held on August 27, 2019.

The Restated Consolidated Financial Information has been compiled by the Company from the Audited consolidated Financial Statements of the Company and Audited consolidated financial Statements of the Joint Venture company and:

- a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
- b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
- c. Other remarks / comments in the Annexure to the Auditor's report on the financial statements of the Company which do not require any corrective adjustments in the Restated consolidated Financial Information are disclosed in Annexure VII of the Restated consolidated Financial Information;
- d. adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per consolidated financial statements of the Company as at and for the year ended March 31, 2021, prepared under Ind AS and the requirements of the SEBI Regulations; and
- e. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

### **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

- it is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
  - It is expected to be settled in the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded
  - It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current only. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Consolidated Financial Statements have been presented in Indian Rupees, which is the Company's functional currency.

### **Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

**The areas involving critical estimates or judgments are:**

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Defined benefit obligation
- Provisions
- Recoverability of trade receivables
- Recognition of revenue and allocation of transaction price
- Current tax expense and current tax payable

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

### **Summary of significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### **Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.



Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### ***Interest and dividend income***

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **Inventories:**

- i) Raw materials - is valued at the lower of cost or net realisable value. The cost is determined on FIFO /specific identification basis.
- ii) Finished goods - valued at the lower of cost or net realisable value. The cost of material is determined on FIFO/specific identification basis.
- iii) Work-in-progress is valued at material cost including appropriate production overhead.
- iv) Stores and spares are valued at the lower of cost or net realisable value. Cost is determined on FIFO basis.

### **Foreign currency transactions and translation**

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) As the Company enters into business transactions based on the prevailing exchange rate, forward premium and other related factors, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

### **Taxes**

#### ***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ***Deferred tax***

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Minimum Alternate Tax (MAT)**

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### *Subsequent Cost*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of Profit and Loss.

### **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.

### *Depreciation and amortisation*

The depreciation on tangible assets is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

<b>Asset class</b>	<b>Useful life as per management</b>
Plant and machinery	15 years
Office equipment	5 years
Computers/Servers	3/6 years
Vehicles	8 years
Furniture and fixtures	10 years
Electrical installation	10 years
Office premises	60 years
Residential premises	60 years
Factory Building	30 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### *Derecognition of assets*

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

### **Investment property**

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e., 60 years for office premises. Investment properties include:

- i) Land.
- ii) Office premises.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest

and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

### **Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity. Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.

### **Impairment of non-financial assets**

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **Financial instruments**

#### ***Initial recognition***

The company recognises the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially recognised at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

#### ***Subsequent measurement***

##### **(A) Non derivative financial instruments**

###### ***(i) Financial Assets at amortised cost***

A financial asset is measured at the amortised cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash

flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

*(ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income*

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

*(iii) Financial liabilities*

The measurement of financial liabilities depends on their classification, as described below:

*(a) Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

*(b) Trade & other payables*

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(B) Derivative financial instruments**

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

*The company have derivative financial assets/financial liabilities which are not designated as hedges*

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/Liabilities in this category are presented as current asset/current liabilities.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

### **Employee Benefits**

#### *i) Defined contribution plans (Provident Fund)*

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

#### *ii) Defined benefit plans (Gratuity)*

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

#### *iii) Short term benefits*

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **Lease**

#### *Short-term leases and leases of low-value assets*

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### **PRINCIPAL COMPONENTS OF INCOME AND EXPENSES**

The following is a brief description of the principal line items that are included in the restated summary statement of profit and losses of the Restated Consolidated Financial Statements:

#### **Revenue**

We divide our revenue into revenue from operations and other income. The following table presents a breakdown

of our total revenue for the periods indicated.

(in ₹ million)

Particulars	Year ended March 31		
	2021	2020	2019
Revenue from operations	3,406.08	2,396.43	2,385.12
Other income	13.80	28.44	3.84
<b>Total Revenue</b>	<b>3,419.88</b>	<b>2,424.86</b>	<b>2,388.96</b>

#### *Revenue from operations*

Our revenue from operations comprise of revenues which we receive from sales of our products comprising of raw materials/ finished goods/ traded goods and export incentives. Our revenue from operations is further bifurcated into export sales and domestic sales.

#### *Other income*

Other income comprises of interest income, foreign exchange fluctuation gain, insurance claim income, change in surrender value of keyman insurance policy and others.

#### **Expenses**

Our expenses consist primarily of cost of raw materials consumed, changes in inventories of finished goods / traded goods and work in progress, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses. The following table presents a breakdown of our total expenses for the periods indicated.

(in ₹ million)

Particulars	Year ended March 31		
	2021	2020	2019
Cost of raw materials consumed	1,746.87	1,378.99	1,520.52
Changes in inventories of finished goods/traded goods and work-in-progress	48.14	(89.86)	(36.21)
Employee benefit expenses	210.08	178.14	117.48
Finance costs	56.18	55.87	47.53
Depreciation and amortisation expense	41.88	35.18	26.00
Other Expenses	599.47	519.00	362.54
<b>Total Expenses</b>	<b>2,702.61</b>	<b>2,077.32</b>	<b>2,037.85</b>

#### **Cost of raw materials consumed**

Cost of raw materials consumed are the expenses which are directly attributable to the purchase of our raw materials including Chloroacetaldehyde Dimethylacetal, Semicarbazide Hcl, Meta Chloro Aniline, 1-Bromo 3-Chloro Propane and Bis-(2-Chloethyl) Amine Hcl etc.; expenses incurred in relation to purchase of packaging materials and import expenses.

#### **Changes in inventories of finished goods/ traded goods and work in progress**

Changes in inventories of finished goods/ traded goods and work-in-progress which comprises net increase or decrease in inventory levels of finished goods/ traded goods and changes in work in progress. It is calculated based on the opening inventory of finished goods and work-in-progress adjusted for closing inventory of finished goods and work-in-progress.

#### **Employee benefit expenses**

Employee benefit expense comprises director remuneration, salaries, bonus, commission and allowances, contribution to provident fund and other funds, gratuity and staff welfare expenses.

#### **Finance costs**

Finance costs primarily includes interest expense comprising of interest expense on term loan and cash credit,

interest on unsecured loan, interest on statutory dues, interest on income tax, interest on MSME creditors and processing and other bank charges.

### Depreciation and amortisation expense

Depreciation and amortisation expense comprises (i) depreciation on property, plant and equipment; and (ii) amortisation of other intangible asset over its useful life.

### Other expenses

Other expenses primarily include stores, spares and tools consumed, job work charges, power and electricity, communication expenses, printing and stationery, travelling and conveyance expenses, legal and professional fees, rent on warehousing & parking, rates and taxes, commission and brokerage on sales, freight, clearing and forwarding charges, security and miscellaneous expenses primarily related to safety equipment, guest house expenses, office expenses, DGFT charges, hotel and accommodation expenses, festival expenses and service charges.

### NON-GAAP MEASURES

#### EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses (“**EBITDA**”) from our profit before tax, as restated, and the manner in which it is calculated for the Fiscals 2021, 2020 and 2019. We define our EBITDA Margin as EBITDA divided by revenue from operations.

Particulars	Year ended March 31		
	2021	2020	2019
Profit Before Tax, as restated	717.26	347.54	351.10
Add: Finance costs	56.18	55.87	47.53
Add: Depreciation and amortization expense	41.88	35.18	26.00
Less: Other Income	13.80	28.44	3.84
EBITDA	801.53	410.16	420.80
EBITDA Margin (EBITDA as a percentage of revenue from operations)	23.53	17.12	17.64

### SUMMARY RESULTS OF OPERATIONS

The following table presents our consolidated statement of profit and loss data for Fiscal 2021, Fiscal 2020 and Fiscal 2019 and as a percentage of total revenue for the corresponding periods.

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ in million	% of total revenue	₹ in million	% of total revenue	₹ in million	% of total revenue
<b>Revenue</b>						
Revenue from operations	3,406.08	99.60	2,396.43	98.83	2,385.12	99.84
Other income	13.80	0.40	28.44	1.17	3.84	0.16
<b>Total revenue</b>	<b>3,419.88</b>	<b>100.00</b>	<b>2,424.86</b>	<b>100.00</b>	<b>2,388.96</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of raw materials consumed	1,746.87	51.08	1,378.99	56.87	1,520.52	63.65
Changes in inventories of finished goods/ traded goods and work-in progress	48.14	1.41	(89.86)	(3.71)	(36.21)	(1.52)
Employee benefits expense	210.08	6.14	178.14	7.35	117.48	4.92
Finance costs	56.18	1.64	55.87	2.30	47.53	1.99
Depreciation and amortisation expense	41.88	1.22	35.18	1.45	26.00	1.09
Other expenses	599.47	17.53	519.00	21.40	362.54	15.18
<b>Total expenses</b>	<b>2,702.61</b>	<b>79.03</b>	<b>2,077.32</b>	<b>85.67</b>	<b>2,037.85</b>	<b>85.30</b>
<b>Profit / (loss) before tax</b>	<b>717.26</b>	<b>20.97</b>	<b>347.54</b>	<b>14.33</b>	<b>351.10</b>	<b>14.70</b>
<b>Tax expense:</b>						
Current tax	175.64	5.14	67.98	2.80	96.92	4.06



Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ in million	% of total revenue	₹ in million	% of total revenue	₹ in million	% of total revenue
Deferred tax	1.63	0.05	4.86	0.20	21.23	0.89
<b>Profit / (loss) for the year</b>	<b>539.99</b>	<b>15.79</b>	<b>274.70</b>	<b>11.33</b>	<b>232.95</b>	<b>9.75</b>

## **RESULTS OF OPERATIONS**

### **Comparison of Fiscal 2021 to Fiscal 2020**

#### **Revenue**

Our total revenue in Fiscal 2021 was ₹3,419.88 million, which represented an increase of 41.03% over our total revenue in Fiscal 2020 of ₹2,424.86 million primarily due to an increase in revenue from operations.

#### *Revenue from Operations*

Our revenue from operations in Fiscal 2021 was ₹3,406.08 million, which represented an increase of 42.13% over our revenue from operations in Fiscal 2020 of ₹2,396.43 million. The increase was primarily due to increased sales of our products resulting from a robust growth of domestic and export demand. Pursuant to US FDA inspection of our Sachin Facility in Fiscal 2020, our Company recorded growth in sale of intermediates used in manufacture of API Trazadon (1-(3-Chloro Phenyl)4-(3-Chloro Propyl)Piperazine H and 1-(3-Chloro Phenyl) Piperazine), Darulutamide (Methyl-5-Acetal-1h-Pyrazole-3-Carboxylate), Rivaroxaban, Nintedanib, Vortioxetine, Apixaban and Dolutegravir and 2-Chloro-1,1,1-Triethoxy Ethane in speciality chemical space, which drove up our revenue from operations in Fiscal 2021.

#### *Other income*

Our other income in Fiscal 2021 was ₹13.80 million, which represented a decrease of 51.48% from our other income in Fiscal 2020 of ₹28.44 million. The decrease was primarily due to decrease in foreign exchange fluctuation gain and miscellaneous income which was partially offset by increase in interest income.

#### **Expenses**

Our total expenses in Fiscal 2021 were ₹2,702.61 million, which represented an increase of 30.10% over our total expenses in Fiscal 2020 of ₹2,077.32 million. This was primarily attributable to:

#### *Cost of raw materials consumed*

The cost of raw materials consumed were ₹1,746.87 million in Fiscal 2021, which represented an increase of 26.68% over our cost of raw materials consumed in Fiscal 2020 of ₹1,378.99 million. This increase is primarily due to increase in Revenue. As a percentage of our total income, the cost of raw materials consumed decrease to 51.08% in Fiscal 2021 from 56.87% in Fiscal 2020, this decrease is primarily due to higher inventories at end of Fiscal 2020 due to COVID-19 pandemic, which was partially offset by change in products mix.

#### *Changes in inventories of finished goods / traded goods and work in progress*

Changes in inventories of work-in-progress and finished goods changed from ₹ (89.86) million in Fiscal 2020 to ₹ 48.14 million in Fiscal 2021. This was primarily due to inventories held at the end of Fiscal 2020 on account of COVID-19 pandemic.

#### *Employee benefit expense*

Our employee benefit expense in Fiscal 2021 was ₹210.08 million, which represented an increase of 17.93% over our employee benefit expense in Fiscal 2020 of ₹178.14 million. The increase was due to new recruitments as well as increments in salary and wage increases. Further, as a percentage of our total income, the cost of employee benefit expenses reduced to 6.14% in Fiscal 2021 from 7.35% in Fiscal 2020.

#### *Finance costs*

Our finance costs in Fiscal 2021 was ₹56.18 million, which represented a marginal increase of 0.56% from our finance costs in Fiscal 2020 of ₹55.87 million.

#### *Depreciation and amortisation expense*

Our depreciation and amortisation expense in Fiscal 2021 was ₹41.88 million, which represented an increase of 19.04% over our depreciation and amortisation expense in Fiscal 2020 of ₹35.18 million. The increase was primarily due to increase in asset base and effect of depreciation on new R&D center and solvent recovery plant commissioned.

#### *Other expenses*

Our other expenses in Fiscal 2021 were ₹599.47 million, which represented an increase of 15.50% over our other expenses in Fiscal 2020 of ₹519.00 million primarily due to increase in job work charges and cost of stores, spares and tools consumed. Further, as a percentage of our total income, the other expenses reduced to 17.53% in Fiscal 2021 from 21.40% in Fiscal 2020.

#### ***Restated Profit before tax***

For the reasons discussed above, our profit before tax in Fiscal 2021 was ₹717.26 million, an increase of 106.38% over our profit before tax in Fiscal 2020 of ₹347.54 million, which constituted 20.97% and 14.33% of our total income in Fiscal 2021 and 2020, respectively.

#### ***Tax Expense***

Our net tax expense including current tax and deferred tax provision in Fiscal 2021 was ₹177.27 million, as compared to net tax expense in Fiscal 2020 of ₹72.84 million, reflecting an increase of 143.37% from Fiscal 2020 to Fiscal 2021. Our effective tax rate in Fiscal 2021 and Fiscal 2020 was 24.72% and 20.96%, respectively. Our net tax expense increased primarily due to the increase in profit available for taxation.

#### ***Restated Profit for the year***

As a result of the foregoing, our profit for the year in Fiscal 2021 was ₹539.99 million, an increase of 96.57% over our profit for the year in Fiscal 2020 of ₹274.70 million. As a percentage of our total revenue, there has been an increase in the profit in Fiscal 2021 to 15.79% from 11.33% in Fiscal 2020.

#### **Comparison of Fiscal 2020 to Fiscal 2019**

##### ***Revenue***

Our total revenue in Fiscal 2020 was ₹2,424.86 million, which represented a marginal increase of 1.50% over our total revenue in Fiscal 2019 of ₹ 2,388.96 million.

##### ***Revenue from Operations***

Our revenue from operations in Fiscal 2020 was ₹2,396.43 million, which represented a marginal increase of 0.47% over our total revenue in Fiscal 2019 of ₹2,385.12 million. Our growth in revenue in Fiscal 2020 was restricted due to (1) approval of change notification it to be received from to all the customers as per GMP requirement post dismantle of plant 1 at Sachin unit and production was transferred to plant 2 and (2) because of the nationwide lockdown due to COVID-19 in last two weeks of March 2020

##### ***Other income***

Our other income in Fiscal 2020 was ₹28.44 million, as against our other income in Fiscal 2019 of ₹3.84 million. The increase was primarily due to increase in foreign exchange fluctuation gain, interest income, insurance claim and other miscellaneous income.

##### ***Expenses***

Our total expenses in Fiscal 2020 were ₹2,077.32 million, which represented a marginal increase of 1.94% over

our total expenses in Fiscal 2019 of ₹2,037.85 million. This was primarily attributable to:

*Cost of raw materials consumed*

The cost of raw materials consumed were ₹1,378.99 million in Fiscal 2020, which represented a decrease of 9.31% over our cost of raw materials consumed in Fiscal 2019 of ₹1,520.52 million, primarily due to process improvement at our Sachin Facility which resulted in effective utilisation of raw materials and reduction of wastage and also due to increase in job work. As a percentage of total revenue, our cost of raw materials consumed decreased to 56.87% in Fiscal 2020 from 63.65% in Fiscal 2019.

*Changes in inventories of finished goods / traded goods and work in progress*

Changes in inventories of work-in-progress and finished goods changed from ₹ (89.86) million in Fiscal 2020 to ₹ 48.14 million in Fiscal 2021. This was primarily due to inventories held at the end of Fiscal 2020 on account of the COVID-19 pandemic.

*Employee benefit expense*

Our employee benefit expense in Fiscal 2020 was ₹178.14 million, which represented an increase of 51.64% over our employee benefit expense in Fiscal 2019 of ₹117.48 million. The increase was due to new recruitments as well as increments in salary and wages.

*Finance costs*

Our finance costs in Fiscal 2020 was ₹55.87 million, which represented an increase of 17.54% from our finance costs in Fiscal 2019 of ₹47.53 million. The increase was primarily due to increase in bank borrowing for the purpose of working capital requirements in Fiscal 2020 of our Company and term loan availed for the purposes of expansion of our Sachin Facility and the R&D Facility.

*Depreciation and amortisation expense*

Our depreciation and amortisation expense in Fiscal 2020 was ₹35.18 million, which represented an increase of 35.31% over our depreciation and amortisation expense in Fiscal 2019 of ₹26.00 million. The increase was primarily due to additional capex done at existing production facility.

*Other expenses*

Our other expenses in Fiscal 2020 was ₹519.00 million, which represented an increase of 43.16% over our other expenses in Fiscal 2019 of ₹362.54 million primarily due to increased job work charges and maintenance expenses done at the Sachin Facility.

***Restated Profit before tax***

As a result of the foregoing, our profit before tax in Fiscal 2020 was ₹347.54 million, a marginal decrease of 1.01% over our profit before tax in Fiscal 2019 of ₹351.10 million

***Tax Expense***

Our net tax expense including current tax and deferred tax in Fiscal 2020 was ₹72.84 million, as compared to net tax expense in Fiscal 2019 of ₹118.15 million, reflecting a decrease of 38.35% from Fiscal 2019 to Fiscal 2020. Our net tax expense decreased primarily due to reduction in deferred tax liabilities in Fiscal 2020 against Fiscal 2019 along with decrease in current tax paid due to the decrease in profit available for taxation after availing benefits under section 35 of the IT Act for research and development.

***Restated Profit for the year***

As a result of the foregoing, our profit for the year in Fiscal 2020 was ₹274.70 million, an increase of 17.92% over our profit for the year in Fiscal 2019 of ₹232.95 million. As a percentage of our total revenue, there has been an increase in the profit for the year in Fiscal 2020, to 11.33% in Fiscal 2020 from 9.75% in Fiscal 2019.

## LIQUIDITY AND CAPITAL RESOURCES

We depend on both internal and external sources of liquidity to provide working capital and to fund capital requirements. We have historically funded our capital expenditures with cash flow from operations and debt financing. We generally enter into long-term borrowings in the form of working capital and term loans from banks and financial institutions. As at March 31, 2021, we had cash and cash equivalents of ₹26.85 million.

### CASH FLOWS

Our cash is generated by our business operations that is used to fund investments and service our loans and interest to our lending banks. The following table presents our consolidated net cash flows for the periods indicated.

Particulars	(in ₹ million)		
	Year ended March 31,		
	2021	2020	2019
Net cash generated from operating activities	271.45	270.77	148.38
Net cash generated / (used) in investing activities	(1,003.90)	(239.44)	(208.70)
Net cash generated / (used) in financing activities	721.08	1.94	56.22
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(11.37)</b>	<b>33.27</b>	<b>(4.09)</b>
<b>Cash and cash equivalent at beginning of year</b>	<b>38.22</b>	<b>4.94</b>	<b>9.03</b>
<b>Cash and cash equivalent at end of year</b>	<b>26.85</b>	<b>38.22</b>	<b>4.94</b>

#### Net cash generated by operating activities

Net cash generated by operating activities includes funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities.

#### *Fiscal 2021*

Cash generated from operations after tax was ₹271.45 million in Fiscal 2021. Profit before tax was ₹717.26 million in Fiscal 2021. Adjustments for non-cash and non-operating items primarily consisted of depreciation and amortization expenses of ₹41.88 million, loss from sale of property plant and equipment of ₹0.18 million, interest expense of ₹ 51.08 million, which was partially offset by exchange fluctuation on change on equity instruments of ₹8.52 million, net unrealized exchange difference of ₹2.13 million, interest income of ₹1.95 million, and remeasurement of defined employee benefit plans of ₹0.37 million. Our operating profit before working capital changes was ₹797.42 million in Fiscal 2021. The changes in working capital in Fiscal 2021, included increase in trade payables of ₹330.95 million, increase in other current liabilities of ₹ 135.22 million and increase in provision of ₹24.92 million. This was partly offset by increase in other current assets of ₹155.32 million, increase in inventory of ₹80.21 million and increase in trade receivables of ₹641.70 million which includes increase in inventory and trade receivables pursuant to acquisition of the Jhagadia Facility and Ankleshwar Facility from Gujarat Organics Limited. Cash generated from operations in Fiscal 2021 amounted to ₹413.21 million. Taxes paid amounted to ₹141.75 million.

#### *Fiscal 2020*

Cash generated from operations after tax was ₹270.77 million in Fiscal 2020. Profit before tax was ₹347.55 million in Fiscal 2020. Adjustments for non-cash and non-operating items primarily consisted of depreciation and amortization expenses of ₹35.18 million, loss from sale of property, plant and equipment of ₹7.70 million, interest expense of ₹53.22 million and exchange fluctuation on change on equity instruments of ₹27.52 million which was partially offset by net unrealized exchange difference of ₹12.60 million, remeasurement of defined employee benefit plans of ₹8.39 million and interest income of ₹0.94 million. Our operating profit before working capital changes was ₹449.22 million in Fiscal 2020. The changes in working capital in Fiscal 2020, included decrease in trade receivables of ₹211.01 million and increase in provision of ₹ 12.87 million. This was partly offset by increase in inventory of ₹136.73 million and decrease in trade payables of ₹170.99 million. Cash generated from operations in Fiscal 2020 amounted to ₹354.88 million. Taxes paid amounted to ₹84.10 million.

#### *Fiscal 2019*

Cash generated from operations after tax was ₹148.38 million in Fiscal 2019. Profit before tax was ₹351.10 million in Fiscal 2019. Adjustments for non-cash and non-operating items primarily consisted of depreciation and

amortization expenses of ₹26.00 million, interest expense of ₹44.49 million exchange fluctuation on change on equity instruments of ₹13.11 million and which was partially offset by net unrealized exchange difference of ₹9.70 million and interest income of ₹0.68 million. Our operating profit before working capital changes was ₹425.86 million in Fiscal 2019. The changes in working capital in Fiscal 2019, included increase in trade payables of ₹226.87 million, increase in other current liabilities of ₹ 3.56 million and increase in provision of ₹4.80 million. This was partly offset by increase in inventory of ₹112.80 million, increase in current assets of ₹11.20 million, and increase in trade receivables of ₹244.02 million. Cash generated from operations in Fiscal 2019 amounted to ₹286.04 million. Taxes paid amounted to ₹137.65 million.

#### **Cash flow from/ (used) in investing activities**

Cash used in investing activities includes payments for property, plant and equipment, interest received, proceeds from sale of property, plant and equipment, fixed deposit with banks, investments.

##### ***Fiscal 2021***

Cash used in investing activities for Fiscal 2021 was ₹1,003.90 million, primarily on account of payment for property, plant and equipment of ₹1,065.78 million, of which ₹837.90 million was towards acquisition of the Jhagadia Facility and Ankleshwar Facility from Gujarat Organics Limited. Cash used in investing activities for Fiscal 2021 was primarily offset by interest income of ₹1.95 million, proceeds from sale of property, plant and equipment of ₹25.37 million and decrease in investment of ₹34.56 million.

##### ***Fiscal 2020***

Cash used in investing activities for Fiscal 2020 was ₹239.44 million, primarily on account of payment for property, plant and equipment of ₹216.06 million and increased in investment of ₹27.11 million. Cash used in investing activities for Fiscal 2020 was primarily offset proceeds from sale of property, plant and equipment of ₹2.79 million and by interest income of ₹0.94 million.

##### ***Fiscal 2019***

Cash used in investing activities for Fiscal 2019 was ₹208.70 million, primarily on account of payment for property, plant and equipment of ₹213.88 million. Cash used in investing activities for Fiscal 2019 was primarily offset by decrease in fixed deposits with banks of ₹2.62 million, decrease in investments of ₹1.88 million and interest received of ₹0.68 million.

#### **Cash generated/ (used) in financing activities**

Cash generated/ (used) in financing activities includes proceeds/ (repayment) of borrowings (net) and interest paid.

##### ***Fiscal 2021***

Cash generated in financing activities for Fiscal 2021 was ₹721.08 million. This reflected net proceeds of borrowings of ₹772.16 million which was partly offset by interest paid of ₹51.08 million.

##### ***Fiscal 2020***

Cash used in financing activities for Fiscal 2020 was ₹1.94 million. This reflected net proceeds of borrowings of ₹55.15 million which was partially offset by interest paid of ₹53.22 million.

##### ***Fiscal 2019***

Cash generated in financing activities for Fiscal 2019 was ₹56.22 million. This reflected net proceeds of borrowings of ₹100.72 million which partly was offset by interest paid of ₹44.49 million.

#### **SELECTED BALANCE SHEET ITEMS**

##### **Non-Current assets**

Our non-current assets consist of property, plant and equipment, capital work-in-progress, other intangible assets, financial assets (comprising of investments, loans and other financial assets), deferred tax asset and other non-current asset. Our total non-current assets were ₹1,970.37 million, ₹1,108.55 million and ₹890.56 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

(in ₹ million)

Particulars	Year ended March 31,		
	2021	2020	2019
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1,606.05	621.83	576.66
Capital work-in-Progress	2.00	117.07	19.63
Other Intangible Assets	257.01	230.08	211.11
<b>Financial Assets</b>			
Investments	14.29	17.31	16.44
Other Financial Assets	27.06	29.55	23.00
Other Non-Current Assets	63.96	92.71	43.72
<b>Total Non-Current Assets</b>	<b>1,970.37</b>	<b>1,108.55</b>	<b>890.56</b>

Our property, plant and equipment consist of land, building, plant and equipment, office equipment, furniture and fixtures, vehicles, and computers. Property, plant and equipment increased by 158.28% from March 31, 2020 to March 31, 2021 out of which 133% increased due to acquisition of the Jhagadia Facility and Ankleshwar Facility from Gujarat Organics Limited and by 7.83% from March 31, 2019 to March 31, 2020 due to capital expenditure towards R&D Facility.

Our intangible assets consist of licensing and patents. Our intangible assets increased by 11.70% from March 31, 2020 to March 31, 2021 and by 8.98% from March 31, 2019 to March 31, 2020 due to investments in our JV, Ami Onco-Theragnostics, LLC which, by way of a transfer of patent usage rights by our JV Partner Photolitec LLC, is entitled to the worldwide usage (except China) of certain patents used in the development of new photosensitizing compounds used to identify and treat cancer through patent and patent applications and additional know-how regarding the same.

Capital work-in-progress increased by 496.55% from March 31, 2019, to March 31, 2020, primarily as a result of expansion in R&D Facility and solvent recovery plant in Fiscal 2020. Said R&D Facility and Solvent recovery plant was commissioned in Fiscal 2021, hence the capital work-in-progress decreased by 98.29% from March 31, 2020, to March 31, 2021.

Other non-current assets decreased by 31.01% from March 31, 2020, to March 31, 2021, and increased by 112.05% from March 31, 2019, to March 31, 2020, primarily as a result of capitization of application money to our JV, Ami Onco-Theragnostics, LLC.

### Current assets and current liabilities

The following table presents our current assets and current liabilities as at the dates indicated.

(in ₹ million)

Particulars	Fiscal		
	2021	2020	2019
<b>Current Assets</b>			
Inventories	603.63	523.42	386.69
<b>Financial Assets</b>			
(i) Trade Receivables	1,206.91	564.03	760.87
(ii) Cash and Cash Equivalents	26.85	38.22	4.94
(iii) Loans	3.34	2.77	1.79
Current Tax Assets(Net)	-	22.37	-
Other Current Assets	321.58	59.57	86.68
<b>Total Current Assets</b>	<b>2,162.31</b>	<b>1,210.37</b>	<b>1,240.97</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	445.31	339.24	261.45
(ii) Trade Payables			

Particulars	Fiscal		
	2021	2020	2019
a. Total outstanding dues of micro enterprises and small enterprises	3.90	0.81	52.81
b. Total outstanding dues of other than micro enterprises and small enterprises	840.56	513.66	631.08
Other financial liabilities	197.89	72.02	80.79
Other Current Liabilities	151.60	16.38	24.39
Provisions	9.66	4.05	4.19
Current Tax Liability (net)	11.52	-	0.89
<b>Total Current Liabilities</b>	<b>1,660.44</b>	<b>946.15</b>	<b>1,055.60</b>

### ***Inventories***

Our inventories comprise of raw materials, packing materials, finished/ traded goods, work in progress and consumables stores and spares. The cost of inventories was ₹603.63 million, ₹523.42 million and ₹386.69 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Inventory in Fiscal 2021 includes ₹109.44 million transferred from Gujarat Organics Limited.

### ***Trade receivables***

Trade receivables consist primarily of outstanding amounts from customers. Our trade receivables amounted to ₹1,206.91 million, ₹564.03 million and ₹760.87 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Receivables include ₹145.60 million transferred from Gujarat Organics Limited in Fiscal 2021.

### ***Cash and cash equivalents***

Our cash and cash equivalents amounted to ₹26.85 million, ₹38.22 million and ₹4.94 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### ***Loans***

Our loans primarily comprise advances to employees, amounted to ₹3.34 million, ₹2.77 million and ₹1.79 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### ***Other current assets***

Our other current assets primarily consist of pre-paid expenses, balances with government authorities, advances recoverable in cash or in kind or for value to be received. Other current assets amounted to ₹321.58 million, ₹59.57 million and ₹86.68 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### ***Borrowings***

As of March 31, 2021, the total borrowing of our Company is as set out below.

(in ₹ million)

	As of March 31, 2021
<b>Non-current borrowings</b>	
(a) Secured	
Term Loans from Banks	718.23
(b) unsecured	8.21
<b>Total non-current borrowings (a + b)</b>	<b>726.44</b>
<b>Current Borrowings</b>	
(a) Secured	
Working Capital Loans from Banks	365.31
Current Maturities of Term Loans	194.60
(b) Unsecured	
Working Capital Loans from Banks	80.00
<b>Total current borrowings (a + b)</b>	<b>639.91</b>
<b>Total Borrowings (Non Current + Current)</b>	<b>1,366.36</b>

For further details see “*Financial Indebtedness*” on page 298.

### ***Trade payables***

Our trade payables consist of financial liabilities at amortised cost including sundry creditors for goods and creditors for expenses. Trade payables amounted to ₹844.47 million, ₹514.47 million and ₹683.89 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### ***Other financial liabilities***

Our other financial liabilities primarily consist of current maturities of long term debts and payables for fixed assets. Other financial liabilities amounted to ₹197.89 million, ₹72.02 million and ₹80.79 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### ***Other current liabilities***

Our other current liabilities consist primarily, statutory dues payables, advances from customers and employee dues. Other current liabilities amounted to ₹151.60 million, ₹16.38 million and ₹24.39 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

### **Long-term borrowings**

Our total long-term borrowings were ₹726.44 million, ₹199.01 million and ₹221.00 million as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our long-term borrowings consist of term loans from banks, from other financial institutions and other borrowings.

Most of our financing arrangements are secured by fixed charges on our movable and immovable assets. Some of our financing agreements set limits on or require us to obtain consents from lenders before, among other things, issuing new securities, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. These restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. Further, certain of our financing arrangements include financial covenants. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately.

### **INTEREST COVERAGE RATIO**

The following table presents our interest coverage ratio, which is the total of profit before tax, and interest costs less other income divided by interest and other borrowing costs as at the dates indicated.

Particulars	As at March 31,		
	2021	2020	2019
Interest coverage ratio	13.52	6.71	8.31

### **CONTINGENT LIABILITIES AND OTHER OFF-BALANCE SHEET ARRANGEMENTS**



### ***Contingent Liabilities***

As of March 31, 2021, our contingent liabilities, on a consolidated basis, that have not been provided for was tax deducted at source of ₹0.02 million. For further information on our contingent liabilities and commitments, see “*Restated Consolidated Financial Statements*” on page 210 and “*Risk Factors*” on page 23.

### ***Off Balance Sheet Commitments and Arrangements***

We do not have any 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.

### **RELATED PARTY TRANSACTIONS**

We have entered into transactions with a number of related parties. For further information regarding our related party transactions, please see note 50 of our Restated Consolidated Financial Statements for the Fiscals 2021, 2020 and 2019.

### **CHANGES IN ACCOUNTING POLICIES**

Other than as required for the preparation of our Restated Consolidated Financial Statements, there have been no changes in our accounting policies during Fiscals 2021, 2019 and 2020.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, foreign exchange risk, interest rate risk, credit risk and inflation risk in the normal course of our business.

#### ***Commodity Risk***

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements and long-term contract with our suppliers. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk.

#### ***Foreign Currency Risk***

We operate internationally and the major portion of our business is transacted in USD & EURO. Our sales, purchase, borrowing (etc.) is in foreign currency. Consequently, we are exposed to foreign exchange risk.

Although our exposure to exchange rate fluctuations is partly hedged through the exports of products and the import of the necessary raw materials and production equipment, we are still affected by fluctuations in exchange rates for certain currencies, particularly the U.S. Dollar and the Euro. For further information, see “*Risk Factors – We face foreign exchange risks that could adversely affect our results of operations and cash flows*” on page 32.

#### ***Interest Rate Risk***

We are exposed to interest rate risk primarily as a result of term loans from banks. As at March 31, 2021, we had all of our loans that are subject to floating rates of interest, which exposes us to market risk as a result of changes in interest rates. Upward fluctuations in interest rates would increase the cost of new debt and interest cost of outstanding variable rate borrowings. In addition, any increase in interest rates could adversely affect our ability to service long-term debt, which would in turn adversely affect our results of operations.

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations and cash flows.

### ***Inflation***

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs.

### ***Credit Risk***

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle, and/or we may have to make provisions for or write-off on such amounts.

## **SIGNIFICANT ECONOMIC CHANGES**

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 Position and Results of Operations***” under the heading titled “***Key Factors Affecting Our Results of Operations and Financial Condition***” on page 271, and uncertainties described in “***Risk Factors***” on page 23.

## **TOTAL TURNOVER IN EACH MAJOR INDUSTRY SEGMENT**

Our Company operates in one business segment of manufacturing of intermediates for the pharmaceutical sector.

## **NEW PRODUCTS OR NEW 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 products or new business segments.

## **COMPETITIVE CONDITIONS**

Our business operations are affected by competition from a number of international and domestic competitors. For details, see “***Risk Factors - The industry we operate in is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition and cash flows***” on page 42.

## **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.

## **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been affected and we expect will continue to be affected by the trends identified above in “***Key Factors Affecting Our Results of Operations and Financial Condition***” beginning on page 271 and the uncertainties described in “***Risk Factors***” beginning on page 23. To our knowledge, except as described in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse effect on our revenues or income from continuing operations.

## **MATERIAL INCREASE IN REVENUE FROM CONTRACTS WITH CUSTOMERS OR OTHER REVENUE**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “***Key Factors Affecting Our Results of Operations and Financial Condition***” and the uncertainties described in the section “***Risk Factors***” on pages 271 and 23 respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on revenue from operations or other income.

## **SIGNIFICANT DEPENDENCE ON FEW CUSTOMERS**

Our business is affected by risks associated with our dependency on some of our customers. For further details see, “**Risk Factors** - *We depend on the success of our relationships with our customers. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition. In the absence of long term contracts with our customers, the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows*” on page 27.

#### **SEASONALITY OF BUSINESS**

Our business is not seasonal in nature.

#### **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021**

In the opinion of our board of directors, other than as described in this Draft Red Herring Prospectus, there has not arisen, since the date of the last financial statements included in this Draft Red Herring Prospectus, any circumstances that materially and adversely affect our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. For details of the borrowing powers of our Board, see “*Our Management- Borrowing Powers*” on page 186.

We have obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The details of the indebtedness of our Company (on a consolidated basis) as on April 30, 2021 is provided below:  
(in ₹ million, unless stated otherwise)

Category of borrowing	Sanctioned amount	Outstanding amount
<b>Secured</b>		
ICICI Bank*		
- Emergency credit line guarantee scheme (“ECLGS”) term Loan	43.27	43.56
Axis Bank		
- Working capital facilities	415.00	284.30
- Export packaging credit	100	49.42
- Term loans	864.60	781.06
- Letter of credit and loan equivalent risk limit	17	Nil
- Vehicle loans	2.07	1.36
- ECLGS	45.10	45.14
HDFC Bank		
- Vehicle loans	3.88	3.27
- Term Loan	43.50	39.33
- Working capital facilities	239.00	234.17
- Pre-settlement risk limit	5.00	Nil
Yes Bank		
- Vehicle loans	2.65	0.40
<b>Total secured facilities (A)</b>	<b>1781.07</b>	<b>1482.01</b>
<b>Unsecured</b>		
Standard Chartered Bank		
- Overdraft	140	Nil
<b>Total borrowings (C=A + B)</b>	<b>1921.07</b>	<b>1482.01</b>

\* HDFC bank was in the process of takeover of the outstanding limit facilities i.e. working capital, term loan and derivative facilities given by ICICI bank before April 30, 2021 and the outstanding balance with respect to the above facilities is reflected under HDFC Bank. A no dues certificate was issued by ICICI Bank on May 27, 2021.

### Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

- Interest:** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities.

The interest rates for the facilities availed by our Company in domestic currencies typically range as under:

- Domestic currency denominated loans: between 6.50% to 10.00% per annum.
- Interest rate for short term facilities availed by our Company typically range from 6.50% to 7.25%

- 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*, delay in repayment of principal or payment of interest, breach of financial covenants, non-submission of annual financial statements and stock statements, diversion of funds, non-perfection of security within permitted timelines, irregularity/ overdrawn in the account *etc.* Further, the default interest payable on the facilities availed by us typically ranges from 2% to 6% per annum.
- Pre-payment penalty:** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount on giving notice to the concerned lender, subject to such

prepayment penalties as laid down in the facility agreements. The prepayment premium for the facilities availed by us, where specified, is typically 1% to 2% per annum of the sanctioned amount.

4. **Validity/Tenor:** The working capital facilities availed by us are available for a period of six months to 12 months, subject to periodic review by the relevant lender. The tenor of the term loans availed by us are typically for a tenor of two years to five years.
5. **Security:** In terms of our secured borrowings, we are required to *inter alia*:
  - (a) create charge over: (i) our present and future current assets; and (ii) certain of our movable and immovable fixed assets;
  - (b) furnish guarantees from Girishkumar Limbabbhai Chovatia, Nareshkumar Ramjibhai Patel, Chetankumar Chhaganlal Vaghasia and Kiranben Girishbhai Chovatia. Pursuant to the business separation agreement dated March 31, 2021, our Company has made applications to its lenders to relieve Girishkumar Limbabbhai Chovatia and Kiranben Girishbhai Chovatia from furnishing personal guarantees against the loans availed by our Company.
6. **Repayment:** The working capital facilities are typically repayable on demand. The term loans are typically repayable in structured instalments.
7. **Key Covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as following:
  - (a) effecting any change of control and ownership;
  - (b) effecting any change in our capital structure where the shareholding of the existing promoter gets diluted below current levels or leads to dilution in controlling stake for any reason effecting any change in the management set-up;
  - (c) making any amendments in the Memorandum of Association or Articles of Association;
  - (d) attempting or purporting to alienate or creating any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets;
  - (e) change its constitution / composition and / or undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary
  - (f) repay or pay any principal or interest on any loans availed by the Company;
  - (g) enter into any contract or arrangement whereby its business or operations are controlled, directly or indirectly, by another person;
  - (h) declare or pay any dividend or authorise any distribution to its shareholders, unless in cases specified per the terms of the loan agreement;
  - (i) invest by way of share capital or lend or advance fund to or place deposits with other concern, including sister/associate/family/subsidiary/ group concerns, with the exception of normal trade credit or security deposit in the ordinary course of business;
  - (j) undertake guarantee obligation on behalf of any third party or any other company.
8. **Events of default:** Borrowing arrangements entered into by us, contain standard events of default, including:
  - (a) default in payment of interest or instalment amount due;
  - (b) non-compliance of financial covenants;
  - (c) any default under any other facility from any bank or financial institution;

- (d) cross default and cross-acceleration with any other financial indebtedness of our Company or other obligors including our Promoters and members of Promoter Group;
- (e) any change of ownership, control and/or management of the Company;
- (f) breach of security arrangements;
- (g) cessation of all or substantial part of its business;
- (h) repudiation;
- (i) existence of circumstances which in the sole opinion of the lender, jeopardises its interests;
- (j) occurrence of a material adverse effect (as defined in the relevant financing document);
- (k) failure to pay amounts due pursuant to any final judgment, decree or court order; and
- (l) expropriation.

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.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters; (ii) actions by statutory or regulatory authorities involving our Company, Directors, or Promoters; (iii) claims relating to direct and indirect taxes involving our Company, Directors, or Promoters; and (iv) litigations or arbitration proceedings involving our Company, Directors, or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).*

*All outstanding litigation, including any litigation involving the Company, Directors and Promoters, other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax matters (direct or indirect), will be considered material if: (i) the aggregate monetary amount of claim by or against the Company, its Directors, Promoter, Joint Venture and Group Company in any such pending litigation is in excess of 1% of the profit after tax as per the Restated Consolidated Financial Statement for the Fiscal 2021. Our profit after tax as per the Restated Consolidated Financial Information for the Fiscal 2021 is ₹ 539.99 million. Accordingly, 1% of the profit after tax for the Fiscal 2021 is equivalent to ₹ 5.40 million; or (ii) any such pending litigation material from the perspective of the position, business, operations, prospects, financial results or reputation of the Company.*

*Further, there are no: (i) 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; and (ii) outstanding litigation involving the Group Company, which may have a material impact on our Company.*

*For the purposes of the above, pre-litigation notices received by our Company, Promoters, Directors or Group Company from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, or such Promoter, Director or Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### LITIGATION INVOLVING OUR COMPANY

##### **(a) Outstanding litigation proceedings against our Company**

###### *(i) Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material criminal proceedings pending against our Company.

###### *(ii) Outstanding actions by regulatory or statutory authorities*

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by statutory or regulatory authorities against our Company.

###### *(iii) Material civil proceedings*

As on the date of this Draft Red Herring Prospectus, there are no material civil pending against our Company

##### **(b) Outstanding litigation proceedings by our Company**

###### *(i) Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Company.

(ii) *Material civil proceedings*

As on the date of this Draft Red Herring Prospectus there are no outstanding civil proceedings initiated by our Company.

(c) *Tax proceedings involving the Company*

Except as mentioned below, there are no direct or indirect tax proceedings involving 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	7	12.76
Indirect tax	1	3.48
<b>Total</b>	<b>8</b>	<b>16.24</b>

\* To the extent quantified.

## LITIGATION INVOLVING OUR DIRECTORS

(a) *Outstanding litigation proceedings against Directors*

(i) *Criminal proceedings against our Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings pending against our Directors.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by statutory or regulatory authorities against our Directors.

(iii) *Material civil proceedings*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings pending against our Directors.

(b) *Outstanding litigation proceedings by our Directors*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) *Material civil proceedings*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Directors.

(c) *Tax proceedings involving the Directors*

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Directors as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	3	0.17
Indirect tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.17</b>

\* To the extent quantifiable

## LITIGATION INVOLVING OUR PROMOTERS



**(a) Outstanding litigation proceedings against our Promoters**

**1. Criminal proceedings**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our Promoters.

**2. Actions by statutory or regulatory authorities**

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by statutory or regulatory authorities against our Promoters.

**3. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings pending against our Promoters.

**(b) Outstanding litigation proceedings by our Promoters**

**(i) Criminal proceedings**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

**(ii) Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Promoters.

**(c) Tax proceedings involving the Promoters**

**(d)** Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Promoters as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	2	0.16
Indirect tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>0.16</b>

\* To the extent quantifiable

**OUTSTANDING DUES TO CREDITORS**

As per the Materiality Policy, a creditor of our Company shall be considered “material” for the purpose of disclosure in this Draft Red Herring Prospectus, if the outstanding dues to any creditor of our Company having monetary value exceeding ₹ 42.39 million, which is 5% of the total trade payables of our Company as on March 31, 2021, as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

Based on the above, as on March 31, 2021, there are 4 material creditors to whom our Company owes an aggregate amount of ₹ 233.64 million.

The details of the total outstanding dues (trade payables) 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, 2021 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	9	3.90
Dues to Material Creditor(s)	4	233.64
Dues to other creditors (including outstanding liabilities)	342	610.20
<b>Total</b>	<b>355</b>	<b>847.75</b>

For details of outstanding dues to the material creditors as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see <https://www.amiorganics.com/material-creditors.html>.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.amiorganics.com](http://www.amiorganics.com) would be doing so at their own risk.

## **MATERIAL DEVELOPMENTS**

No circumstances have arisen since March 31, 2021, the date of the last Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Except as disclosed herein, our Company has obtained all material consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are necessary for undertaking their respective business activities and operations. 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. We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 168.*

*For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 309, for incorporation details of our Company, see “History and Certain Corporate Matters” on page 176.*

### **Material approvals in relation to our Company’s business and operations**

The objects clause of the respective memoranda of association enables our Company to undertake its present business activities.

The approvals required to be obtained by us include the following:

### **APPROVALS IN RELATION TO THE OFFER**

For details, see “Other Regulatory and Statutory Disclosures - Authority for the Offer” on page 309.

### **INCORPORATION DETAILS OF OUR COMPANY**

- (a) Certificate of incorporation dated June 12, 2007 issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli;
- (b) Fresh certificate of incorporation dated April 18, 2018 issued to our Company by the Registrar of Companies, Ahmedabad on account of change of name from ‘Ami Organics Private Limited’ to ‘Ami Organics Limited’ upon conversion to a public limited company; and
- (c) Our Company’s corporate identity number is U24100GJ2007PLC051093.

### **APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS**

For information on our business operations, see “Our Business – Overview” on page 146. An indicative list of the material approvals required by us to undertake our businesses are set out below:

#### **(a) Approvals in relation to our business**

##### **A. Tax related approvals**

- (i) The permanent account number of our Company is AAGCA4014R;
- (ii) The tax deduction account number of our Company is SRTA03241A; and
- (iii) The goods and services tax identification number of our Company is 24AAGCA4014R1ZL.

##### **B. Labour related approvals**

- (i) Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970;
- (ii) Registration under the Employees’ State Insurance Act, 1948.
- (iii) Factories licence under the Factories Act, 1948; and
- (iv) Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952;

- C. *Environmental Approvals:*** We are required to obtain environment related consents and authorisations to operate under the Environment Protection Act, Air Act, Water Act and the Hazardous Waste Rules (“Consolidated Consent and Authorisation”) from the Gujarat Pollution Control Board and environmental clearance under the EIA notification from Ministry of Environment, Forest and Climate Change, in respect of our facilities, wherever applicable.
- D. *Importer exporter code:*** we are mandatorily required to obtain importer exporter code from the Director General of Foreign Trade, Ministry of Commerce and Industry to import or export in India. The IEC code for our Company is 5204008799.
- E. *Certificate to use boilers:*** We are required to obtain certificates under the Boilers Act, 1923 for possession of steam boilers at our facilities by providing specifications such as capacity, design etc. The certificates are subject to inspections, reporting requirements and periodic renewals.
- F. *No objection certificates from fire department:*** We are required to obtain no objection certificates (“NOC”) from the relevant fire department, as applicable in the concerned jurisdictions of our manufacturing facilities, to continue operations of our facilities. The no objection certificates may be subject to renewal, as may be applicable.
- G. *Legal metrology license:*** We are required to obtain verification certificates for weighing equipment at our facilities under the Legal Metrology Act, 2009 and rules made thereunder by respective states, to ensure compliance with uniform standards of measurement and weight. The licenses are subject to periodic renewals after yearly inspection.
- H. *License to manufacture for sale (or for distribution) of drugs-*** We are required to obtain this license from the Food and Drugs Control Administration, Gujarat, under the Drugs and Cosmetics Act, 1940 for authorizing wholesale dealing and storage for sale of the drugs manufactured under the license.
- I. *Management and health and safety certifications-*** Standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and SA 8000:2014 issued by Bureau Veritas Certification Holding SAS and Bureau Veritas (India) Private Limited for design, development, manufacture and dispatch of pharmaceutical intermediates for bulk drugs and fine chemicals.
- J. *Miscellaneous Approvals***

In addition to the Key Approvals mentioned above, we are also required to obtain certain other approvals such as license to import and store petroleum under the Petroleum Act, 1934 and Explosives Act, 1884, license for sale, purchase, possession and use of methyl alcohol from Superintendent of Prohibition and Excise, Surat.

**K. *Material Approvals for which transfer applications have been made***




Due to the recent acquisition of the Ankleshwar Facility and Jhagadia facility, applications have been made for the transfer of the following licenses/memberships to our Company:

1. Application dated March 25, 2021 for license to store compressed gas/auto LPG in vessel or vessels and dispense auto LPG in auto LPG dispensing station as automotive fuel to motor vehicles issued by the Chief Controller of Explosives;
2. Application dated April 6, 2021 for Consolidated Consent and Authorization issued by the Gujarat Pollution Control Board;
3. Application dated License March 25, 2021 for license to import and store petroleum under the Petroleum Act 1934 issued by the Chief Controller of Explosives;
4. Application dated March 16, 2021 for license in Form DS-V for storing and denaturing ethyl alcohol, issued by the Superintendent, Prohibition and Excise, Gujarat; and
5. Application dated March 8, 2021 for Membership Certificate for waste disposal from Narmada Clean Tech.


**L. *Intellectual Property***

**Trademarks**

Our Company has obtained registrations in respect of the following trademarks:

Trademark Application Number	Class	Date of Application	Trademark Type	User Detail	Proprietor Name	Goods and Service Details
3601894	1	July 29, 2017	WORD 	August 24, 2004	Ami Organics Private Limited	Chemicals and Intermediates for use in the medicinal, pharmaceuticals and Chemical Preparations
3601896	1	July 29, 2017	LOGO 	December 10, 2004	Ami Organics Private Limited	Chemicals and Intermediates for use in the medicinal, pharmaceuticals and Chemical Preparations
3601897	5	July 29, 2017	LOGO 	December 10, 2004	Ami Organics Private Limited	Medicinal and Pharmaceutical Preparations and Substances

Further, the following trademark has been accepted by the trademarks registry and advertised:

Trademark Application Number	Class	Date of Application	Trademark Type	User Detail	Proprietor Name	Goods and Service Details
3601895	5	July 29, 2017	WORD 	August 24, 2004	Ami Organics Private Limited	Medicinal and Pharmaceutical Preparations and Substances

## Patents

The following application for patents have been made by our company. Some of these have been published in the Official Journal of the Patent Office (“**Journal**”):

Particulars	Patent Application Number	Date of filing of application	Date of publication in the Journal
Process for preparation of 6-Methoxycarbonyl-2-Oxindole	201721033571 A	September 21, 2017	July 12, 2019
Process for preparation of 2, 4-Dimethylthiophenol	201721033560 A	September 21, 2017	July 12, 2019
Process for preparation of 4-Methylenepiperidine Hydrochloride	201821012075 A	March 30, 2018	July 24, 2020
Process for preparation of 4-Isobutoxybenzylamine Acetate	201821012113 A	March 30, 2018	July 24, 2020
Process for preparation of 3- Morpholino-1-(4-(2- Oxopiperidine -1YL)- Phenyl)-5,6-Dihydro Pyridine -2- One	201721033413 A	September 20, 2017	July 12, 2019
Process for preparation of 5-Halo-2, 3-Diphenylpyrazine	201721033559 A	September 21, 2017	July 12, 2019
Process for preparation of 4 (4-Aminophenyl) Morpholin-3-One	201721033412 A	September 20, 2017	July 12, 2019
Process for preparation of 2,3-Dihydro-1, 4-Benzodioxine-6-Carbaldehyde	201821017070 A	May 7, 2018	November 8, 2019
Process for preparation of lumateperone tosylate intermediate (benzyl, 3-methyl-2-oxo-2,3,9,10-tetrahydro-1H-pyrido[3',4':4,5]pyrrolo[1,2,3-de]quinoxaline-8(7H) carboxylate.)	202121011152	March 16, 2021	Not available*
Process for preparation of 4-Piperidone	202121011153	March 16, 2021	Not available*

Particulars	Patent Application Number	Date of filing of application	Date of publication in the Journal
HCL Hydrate			
Process for preparation of bilastine intermediate	202121022118	May 17, 2021	Not available*

\* Only applications for grant of patent has been filed and no publication of the patent has been made in the Journal as on the date of this Draft Red Herring Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate approvals*

The Offer has been authorized by a resolution of our Board dated February 22, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 31, 2021.

Our Board has approved this Draft Red Herring Prospectus pursuant to their resolution dated June 4, 2021.

#### *Approval from the Selling Shareholders*

For details on the authorisations of the Selling Shareholders in relation to the Offer, see “*The Offer*” on page 55.

Our Board took on record the approval for the Offer for Sale for the Offered Shares by the Selling Shareholders pursuant to a resolution dated June 4, 2021. The Selling Shareholders, severally and not jointly, specifically confirm that they are the legal and beneficial owners of the Offered Shares and have held their respective portions of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI and are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, the members of the Promoter Group, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

None of the companies with which our Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the Selling Shareholders and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable.

### Directors associated with the Securities Market

None of the Directors are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, average operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 are set forth below:

*(₹ in million, unless otherwise stated)*

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Net tangible assets, as restated <sup>1</sup>	1,445.11	919.30	632.44
Monetary assets, as restated <sup>2</sup>	30.04	41.01	5.57
Monetary assets, as a percentage of net tangible assets, as restated	2.08	4.46	0.88
Operating profit, as restated <sup>3</sup>	759.65	374.98	394.80
Net worth, as restated <sup>4</sup>	1,669.33	1,118.14	822.20

<sup>1</sup> 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.

<sup>2</sup> 'Monetary assets' is the aggregate of cash in hand and balance with bank in current and deposit account.

<sup>3</sup> 'Operating profit' has been calculated as restated profit before finance costs, other income, exceptional item and tax expenses, each on a restated and consolidated basis.

<sup>4</sup> 'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, as per the restated statement of assets and liabilities of our Company in the Restated Financial Statements.

Our Company has operating profits in each of Fiscals 2021, 2020 and 2019 in terms of our Restated Consolidated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulations 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable, are as follows:

- None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- None of our Promoters or Directors are associated as promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- None of our Company, our Promoters or Directors is a Wilful Defaulter.
- None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- 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 the Company as on the date of this Draft Red Herring Prospectus.
- Our Company along with the Registrar to our Company, have entered into tripartite agreements, each dated April 23, 2018 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- The Equity Shares of our Company held by the Promoters are in the dematerialised form; and
- 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.



The Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale are in compliance with Regulation 8 of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, BEING INTENSIVE FISCAL SERVICES PRIVATE LIMITED, AMBIT PRIVATE LIMITED AND AXIS CAPITAL 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 BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 4, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of registering the Red Herring Prospectus with the RoC 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 registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.amiorganics.com](http://www.amiorganics.com), would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent that the information pertain to themselves and their respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors

in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders 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 Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who Bid in the Offer 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 BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, Promoters, the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and the Promoters and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI VCFs, AIFs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, systemically important non-banking financial companies, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including Eligible FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus will be registered with the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the 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 the Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling

Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. 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.**

The Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

### **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**

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to the Offer, Legal Counsel to the Selling Shareholders, Banker to our Company, the BRLMs, the Registrar to the Offer and customers have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Public Offer Bank, Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

### **Expert to the Offer**

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 and SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies

Act, 2013 in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated May 7, 2021 on the Restated Consolidated Financial Statements; and (ii) the report on statement of special tax benefits dated June 4, 2021, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent from Anil G. Panchal, Chartered Engineer, to include his name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer with respect to the certificate dated May 29, 2021 issued by him in relation to our Company’s installed capacity, available capacity, production and capacity utilisation at our Manufacturing Facilities and certain details pertaining to our R&D and warehouse facilities.

#### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

#### **Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Capital issue during the previous three years by our Company and/or listed Group Company**

Other than as disclosed in “*Capital Structure-Notes to the Capital Structure*”, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed Group Company.

#### **Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public or rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Capital issue during the previous three years by our listed Group Company of our Company**

None of the securities of our Group Company are listed on any stock exchange.

#### **Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)**

##### **A. Intensive Fiscal Services Private Limited**

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Intensive

S. No.	Issue name	Issue size (₹ million)	Issue 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	Chemcon Speciality Chemicals Ltd	3,180	340	October 1, 2020	730.95	21.07% [+2.37%]	22.68% [+23.04]	18.99% [+26.65]

Source: [www.bseindia.com](http://www.bseindia.com)

Notes:

- a. Issue size derived from prospectus/final post issue reports, as available.
- b. The S&P BSE Sensex is considered as the Benchmark Index.
- c. Price on BSE is considered for all of the above calculations.
- d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Intensive

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-2021	1	3180	-	-	-	-	-	1	-	-	-	-	-	1
2019-2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The information for the financial years is based on issues listed during such financial year.

## B. Ambit Private Limited

- Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Ambit

S. No.	Issue name	Issue size (₹ million)	Issue 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	Anupam Rasayan India Limited	7,600.00	555.00	24-Mar-21	520.00	-0.11%, [0.98%]	NA	NA

Source: [www.nseindia.com](http://www.nseindia.com)

### Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- Since 90 and 180 calendar days from listing date has not elapsed for the above issue, data for same is not available.

- Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Ambit

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2020	1	7,600.00	-	-	1	Nil	-	-	Nil	-	-	Nil	-	-
2020-2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Since 180 calendar days from listing date has not elapsed for the above issue, data for same is not available

## C. Axis Capital Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing	+/- % change in closing price, [+/- % change in closing	+/- % change in closing price, [+/- % change in closing
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					(₹)	benchmark]- 30th calendar days from listing	benchmark]- 90th calendar days from listing	benchmark]- 180th calendar days from listing
1.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	+30.22%, [+5.21%]	-	-
2.	Barbeque – Nation Hospitality Limited	4,528.74	500.00	April 07, 21	489.85	+18.77%, [-0.64%]	-	-
3.	Suryoday Small Finance Bank Limited <sup>\$</sup>	5,808.39	305.00	March 26, 2021	292.00	-18.38%, [-1.14%]	-	-
4.	Kalyan Jewellers India Limited <sup>#</sup>	11,748.16	87.00	March 26, 2021	73.95	-24.60%, [-1.14%]	-	-
5.	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%, [+0.11%]	-	-
6.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	-	-
7.	Anupam Rasayan India Limited	7,600.00	555.00	March 24, 2021	520.00	-0.11%, [-0.98%]	-	-
8.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27%, [-0.86%]	-	-
9.	Home First Finance Company India Limited	11,537.19	518.00	February 3, 2021	618.80	+4.98%, [+1.97%]	-5.64%, [-1.05%]	-
10.	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2021	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%, [+24.34%]

Source: [www.nseindia.com](http://www.nseindia.com)

\$ Offer Price was ₹ 275.00 per equity share to Eligible Employees

# Offer Price was ₹ 79.00 per equity share to Eligible Employees

**Notes:**

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY is considered as the Benchmark Index.

c. Price on NSE is considered for all of the above calculations.

d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

**1. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022*	2	29,528.74	-	-	-	-	1	1	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	1
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

### **Website for track record of the Book Running Lead Managers**

<b>Name</b>	<b>Website</b>
Intensive Fiscal Services Private Limited	www.intensivefiscal.com
Ambit Private Limited	www.ambit.co
Axis Capital Limited	www.axiscapital.co.in

### **Stock Market Data of Equity Shares**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

### **Redressal of Investor Grievances**

In accordance with the SEBI circulars dated February 15, 2018, March 16, 2021 and June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular dated March 16, 2021 in the event of (i) delayed unblock for cancelled/withdrawn/deleted applications; (ii) blocking of multiple amounts for the same UPI application; (iii) blocking of more amount than the application amount; (iv) delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Richa Manoj Goyal (*Chairperson*), Nareshkumar Ramjibhai Patel and Chetankumar Chhaganlal Vaghasia as members 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, see "*Our Management*" on page 182.

Our Company has also appointed Ekta Kumari Srivastava, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" beginning on page 62. 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 not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

Our Group Company is not listed on any stock exchange.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the 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**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.



## SECTION VII – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

#### The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared amongst our Company and each of the Selling Shareholders in proportion to their respective share of Offered Shares in the manner specified in “*Objects of the Offer - Offer Expenses*” on page 87.

#### Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of the Articles of Association*” beginning on page 345.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on pages 209 and 345, respectively.

#### Face Value and Offer Price

The face value of the Equity Shares is ₹ 10. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

## **Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" beginning on page 345.

## **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated April 23, 2018 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated April 23, 2018 amongst our Company, CDSL and Registrar to the Offer.

Since the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 328.

## **Joint Holders**

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## **Jurisdiction**

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

## **Period of operation of subscription list**

See "*Offer Structure – Bid/Offer Programme*" beginning on page 322.

## **Nomination facility to investors**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as

the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of fifteen percent per annum.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids and Offer for Sale subsequently.

Each of the Selling Shareholders shall, severally and not jointly, reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that no Selling Shareholders shall be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, 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, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall, reimburse to the Company, any interest incurred by the Company on behalf of the Selling Shareholder for such delays in unblocking the ASBA Accounts, in proportion of their respective portion of the Offered Shares, provided that the Selling Shareholders shall not be responsible to pay such interest unless such delay solely and directly attributable to an act or omission of the Selling Shareholders

## Bid/Offer Programme

<b>BID/ OFFER OPENS ON*</b>	<b>[●]</b>
<b>BID/ OFFER CLOSES ON**</b>	<b>[●]</b>

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

\* 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. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable..

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST);
- (ii) on the Bid/Offer Closing Date:
  - (a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
  - (b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m.

(IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in (i) uploading or downloading the Bids due to faults in any software / hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

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. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date.

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

#### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" beginning on page 69 and except as provided in our Articles of Association, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" on page 345.

#### **Allotment only in dematerialized form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

#### **Withdrawal of the Offer**

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may

be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification also inform the Escrow Collection Banks to process refunds to the Anchor Investors within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Offer and subsequently, plans of a fresh offer are made by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

## OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million by our Company and an Offer of Sale of up to 6,059,600 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with 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 the Offer constituting at least [●]% of the post-Offer paid up Equity Share capital of our Company.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above  Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "Offer Procedure" beginning on page 328.
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000 and in	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	multiples of [●] Equity Shares thereafter		
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply <sup>(3)</sup>	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India through resolution F. No.2/3/2005-DD-II dated November 23, 2005, 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.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the <i>karta</i> ), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs (as defined under SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the <i>karta</i> )
Terms of Payment	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup> <b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder 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	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

\* 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 Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" beginning on page 328.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, 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 less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.



- <sup>(3)</sup> *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. 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.*
- <sup>(4)</sup> *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “*Terms of the Offer*” beginning on page 319.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, 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 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 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has introduced 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 for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“**UPI Phase II**”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Bidders (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI through its circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus..

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 law or as specified in the Red Herring Prospectus and the Prospectus.

Our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

## Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 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 less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual 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.**

## Phased implementation of UPI Mechanism

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from 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 the UPI Mechanism in three phases in the following manner:

**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 till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office and at our Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. RIBs are mandatorily required to use the UPI Mechanism for submitting 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.

Bidders (other than Anchor Investors and Retail Individual Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

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 may be liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

*\* Excluding electronic Bid cum Application Forms*

*Notes:*

*(1) Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).*

*(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Bidders

Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) 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 Banks and the bankers to an issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021.

Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. 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 the BRLMs 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 Banks on a continuous basis. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Account of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse

#### **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 BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion 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 BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for (i) Mutual Funds and AIFs sponsored by entities which are associates of the BRLMs; (ii) FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs; or (iii) insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

An Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Except to the extent of participation in the Offer for Sale, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

Further, 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 QIB who has (i) rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company; (ii) veto rights; or (iii) 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, the Company and the Selling Shareholders in consultation with BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual 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. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRI(s) in the Offer shall be subjected to the FEMA Rules. In accordance with the FEMA Non-Debt Instruments 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 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. 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. Our Company, through a special resolution dated March 31, 2021 increased the aggregate ceiling to 24%, provided however that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 344.

## 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 by HUFs will be considered at par with Bids from individuals.

## Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall 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 Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In 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 BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

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 the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure “**MIM Structure**”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers

in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments (ODI) which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration
- 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
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as Collective Investment Scheme having multiple share classes.

The bids belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single bid in the bidding process. The shares allotted in the bid may be proportionately distributed to the applicant FPIs (with same PAN)

#### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations 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) whose shares are proposed to be listed. The holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with 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 is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to



applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 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, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act; or (b) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and 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, the Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers 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.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approvals as may be required by the NBFC-SI must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs, may deem fit.

#### **Bids by 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 BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

**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 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 regulation and as specified in the Red Herring Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the 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, 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 [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] editions of [●], a Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **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 Registrar to the Offer and the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
5. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website;
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 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. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. 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;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. 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;

12. 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);
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form for all your Bid options 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 Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you 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, trust etc., relevant documents 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 Retail Individual Bidders Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual 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 application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Note that in case the DP ID, UPI ID (where applicable), 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, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Retail Individual 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 Retail Individual Bidder shall be deemed to have verified the attachment containing the application details of the Retail Individual Bidder 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 Bid Cum Application Form in his/her ASBA Account;
27. Retail Individual 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 Bid cum Application Form;
28. Retail Individual 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 his/her account and subsequent debit of funds in case of allotment in a timely manner;
29. FPIs making 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;
30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and
31. 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 in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids until the Bid/Offer Closing Date;
20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism;
22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
23. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
24. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
25. Do not submit the Bid for an amount more than funds available in your ASBA account;
26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Bidder;
27. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);

28. Do not Bid if you are an OCB; and
29. 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 <http://www.sebi.gov.in>).

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 61.

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of BRLM	Helpline email ID	Telephone
1.	Intensive Fiscal Services Private Limited	amiorganics.ipo@intensivefiscal.com	(+91 22) 2287 0443
2.	Ambit Private Limited	ami.ipo@ambit.co	(+91 22) 6623 3000
3.	Axis Capital Limited	ami.ipo@axiscap.in	(+91 22) 4325 2183

#### **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 net offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Escrow Account(s) for Anchor Investors**

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

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 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 our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated April 23, 2018 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated April 23, 2018 among CDSL, our Company and the Registrar to the Offer.

## Undertakings by our Company

Our Company undertakes the following:

- that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- 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 time as may be prescribed;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within six Working Days from the Bid/ Offer Closing Date or such other 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;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;
- That the Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- except for the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc; and
- 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.



### **Undertakings by the Selling Shareholders**

Each of the Selling Shareholders, severally and not jointly, undertake the following in respect of themselves as the Selling Shareholder and their respective portions of the Offered Shares:

- (i) that their portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that they are the legal and beneficial owner of, and have clear and marketable title to, their respective portions of the Offered Shares and are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions;
- (iii) that they shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of their respective portions of the Offered Shares;
- (iv) that they shall not have recourse to the proceeds of the Offer for Sale of their respective portions of the Offered Shares which shall be held in escrow in their favour, until final listing and trading approvals have been received from the Stock Exchanges;
- (v) that they will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to their respective portions of the Offered Shares;
- (vi) they shall deposit their respective portions of Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and
- (vii) they are not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

### **Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India (“**Industrial Policy**”) and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions

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 FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

In terms of Press Note 3 (2020 Series) dated April 17, 2020 issued by the DPIIT, 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 as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 332 and page 333 respectively.

As per the 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.

For further details, see “*Offer Procedure*” on page 328.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/ splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Sr. No	Particulars	
1.	Subject as hereinafter provided, the regulations contained in Table 'F' in the Schedule I to the Act shall apply to the Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.	<b>Table F Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean AMI ORGANICS LIMITED	<b>Company</b>
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the Common Seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution or special resolution as may be prescribed under any applicable provisions of the Act, increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility,	<b>Non Voting Shares</b>

Sr. No	Particulars	
	volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act and subject to the confirmation by the Tribunal on an application made by the Company ) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>

Sr. No	Particulars	
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	(i) Subject to compliance with applicable provision of the Act and rules framed thereunder, the company shall have power to issue depository receipts in any foreign country. (ii) Subject to compliance with applicable provision of the Act and rules framed thereunder, the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder	<b>Issue of Depository Receipts &amp; other Securities</b>
17.	Where at any time, the Company proposes to increase its subscribed capital by issue of further shares either out of the unissued capital or out of the increased share capital then: (i). Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer, within which time 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 one of them in favour of any other person, and the notice referred to in (b) above shall contain a statement of this right. Provided that the Board of Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him; and (iii) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that such person declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such person(s) as they may think in their sole discretion, fit, which is not disadvantageous to the shareholders and the Company.	<b>Further Issue of Share Capital</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing	<b>Modification of rights</b>



Sr. No	Particulars	
	<p>of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 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 and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, under the provisions of clause (c) of section 62, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof,	<b>Deposit and call etc.to be a debt payable immediately.</b>

Sr. No	Particulars	
	and shall be paid by him, accordingly.	
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act.	
	<b>CERTIFICATES</b>	
28.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical</p>	<b>Share Certificates.</b>



Sr. No	Particulars	
	means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors 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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied	<b>Commission</b>

Sr. No	Particulars	
	by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 10% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and	<b>Proof on trial of suit for money due on shares.</b>

Sr. No	Particulars	
	that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to 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 this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall	<b>As to enforcing lien by sale.</b>

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	stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>

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	forfeiture, but shall not be under any obligation to do so.	
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director, the Manager or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.	<b>Transfer Form.</b>



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	The instrument of transfer shall be in a common form approved by the Exchange;	
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. (b) Any transfer of shares, not being a fully paid share, to a person of whom they do not approve. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the	<b>Application for transfer of partly paid shares.</b>

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	transfer within two weeks from the receipt of the notice.	
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of	<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>

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	his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	<b>Nomination</b>
81.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (i) to be registered himself as holder of the security, as the case may be; or	<b>Transmission of Securities by nominee</b>



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	<p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
	<b>DEMATERIALISATION OF SHARES</b>	
<b>82.</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>

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86.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
	<b>BORROWING POWERS</b>	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in	<b>Power to borrow.</b>

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	the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company, Securities Premium and its free reserves, that is to say reserves not set apart for any specified purpose, as may be available to the Company from time to time.	
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>

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	Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference	<b>Number of votes each member entitled.</b>

Sr. No	Particulars	
	shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same	<b>Votes in respect of shares of deceased or insolvent</b>



<b>Sr. No</b>	<b>Particulars</b>	
	manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>members.</b>
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>120.</b>	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 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 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>125.</b>	(a) The number of the Directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. (b) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>127.</b>	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement	<b>Nominee Directors.</b>

Sr. No	Particulars	
	<p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, 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, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the	<b>Chairperson</b>

Sr. No	Particulars	
	<p>Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	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.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	<b>Chairperson of Committee Meetings</b>
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held	<b>Power to fill casual vacancy</b>



Sr. No	Particulars	
	office if had not been vacated as aforesaid.	
	<b>POWERS OF THE BOARD</b>	
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the	<b>To secure contracts by way of mortgage.</b>

Sr. No	Particulars	
	property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or	<b>Transfer to Reserve Funds.</b>

Sr. No	Particulars	
	<p>Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
(19)	<p>To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
(20)	<p>At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>

Sr. No	Particulars	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark,	

Sr. No	Particulars	
	<p>patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/ Wholetime Directors.</b>
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any	<b>Remuneration of Managing or Wholetime</b>



Sr. No	Particulars	
	contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Director.</b>
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	

Sr. No	Particulars	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
150.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
151.	<p>(1) 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.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) 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.</p>	<b>Division of profits.</b>
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
154.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn</b>

Sr. No	Particulars	
		<b>dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles .</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic transfer 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, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Dividends how remitted.</b>
163.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
165.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that	<b>Capitalization.</b>



Sr. No	Particulars	
	<p>specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account, Free Reserves and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
<b>166.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
<b>167.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
<b>168.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
<b>169.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to	<b>Foreign Register.</b>

Sr. No	Particulars	
	the keeping of any such Registers.	
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
172.	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
	<b>INDEMNITY</b>	
173.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
174.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the	<b>Not responsible for acts of others</b>

Sr. No	Particulars	
	execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	<b>SECRECY</b>	
<b>175.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## **SECTION IX - OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **A. Material Contracts for the Offer**

1. Registrar agreement dated June 4, 2021 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer agreement dated June 4, 2021 entered into between our Company, the Selling Shareholders and the BRLMs.
3. Cash escrow and sponsor bank agreement dated [●], 2021 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.
4. Share escrow agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated [●], 2021 entered into between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Monitoring agency agreement dated [●], 2021 entered into between our Company and the Monitoring Agency.
7. Underwriting agreement dated [●], 2021 entered into between our Company, the Selling Shareholders and the Underwriters.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certificate of incorporation dated June 12, 2007.
3. Certificate of incorporation dated April 18, 2018 granted pursuant to conversion of our Company from private limited company to public company.
4. Resolution of the Board of Directors dated February 22, 2021 in relation to the Offer and other related matters.
5. Resolution of the Shareholders of our Company dated March 31, 2021 approving the Fresh Issue.
6. Resolution of the Board of Directors of our Company dated June 4, 2021 approving this Draft Red Herring Prospectus.
7. Consent letters from each of the Selling Shareholders in relation to the Offer for Sale as detailed below:

Sr. No.	Name of the Selling Shareholder	Date of the consent letter to participate in the Offer for Sale
1.	Kiranben Girishbhai Chovatia	June 4, 2021
2.	Girishkumar Limbabbhai Chovatia	June 4, 2021
3.	Parul Chetankumar Vaghasia	June 4, 2021
4.	Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)	June 4, 2021
5.	Hina Indreshbhai Shah	June 4, 2021
6.	Harshad Ramlal Sheth	June 4, 2021
7.	Dhirajlal Amrutlal Amlani	June 4, 2021
8.	Vrushti Atulkumar Shah	June 4, 2021
9.	Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)	June 4, 2021
10.	Nishit Atulkumar Shah	June 4, 2021
11.	Surabhi Yash Shah	June 4, 2021
12.	Narmada Amrutlal Amlani	June 4, 2021
13.	Shanti Devi Kankaria	June 4, 2021
14.	Divya Mahendrakumar Kankaria	June 4, 2021
15.	Chovatiya Haresh H	June 4, 2021
16.	Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)	June 4, 2021
17.	Saryu Dhirajlal Amlani	June 4, 2021
18.	Koladia Mehul M	June 4, 2021
19.	Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)	June 4, 2021
20.	Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)	June 4, 2021

8. Consent dated May 27, 2021 from Frost & Sullivan to rely on and reproduce part or whole of the “Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” and include their name in this Draft Red Herring Prospectus.
9. Consent dated June 4, 2021 from the Statutory Auditors to include their name as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated May 7, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of special tax benefits dated June 4, 2021 included in this Draft Red Herring Prospectus.
10. Consent letter from Anil G. Panchal, Chartered Engineer dated May 29, 2021 to include his name 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 an independent chartered engineer, with respect to the certificates issued by him in relation to his certificate dated May 29, 2021 on our Company’s installed capacity, available capacity, production and capacity utilisation at our Manufacturing Facilities and certain details pertaining to our R&D and warehouse facilities.
11. The examination report dated May 7, 2021 of the Statutory Auditors on our Restated Consolidated Financial Statements.
12. The statement of special tax benefits dated June 4, 2021 from the Statutory Auditors.
13. Report titled “Global and India Pharmaceuticals, API, Intermediates and Speciality Chemicals Market” dated May 27, 2021 prepared by Frost & Sullivan.
14. Copies of annual reports of our Company for the Fiscals 2021, 2020 and 2019.
15. Consent of the Directors, BRLMs, Syndicate Members, the Legal Counsel to the Offer, Legal Counsel to the Selling Shareholders, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.
16. Tripartite agreement dated April 23, 2018, among our Company, NSDL and the Registrar to the Offer.
17. Tripartite agreement dated April 23, 2018, among our Company, CDSL and the Registrar to the Offer.

18. Due diligence certificate dated June 4, 2021 addressed to SEBI from the BRLMs.
19. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
20. SEBI observation letter bearing reference number [●] and dated [●].

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and/or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

## SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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**Nareshkumar Ramjibhai Patel**  
(Executive Chairman and Managing Director)

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**Chetankumar Chhaganlal Vaghasia**  
(Whole Time Director)

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**Virendra Nath Mishra**  
(Whole Time Director)

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**Girikrishna Suryakant Maniar**  
(Independent Director)

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**Richa Manoj Goyal**  
(Independent Director)

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**Hetal Madhukant Gandhi**  
(Independent Director)

## SIGNED BY THE CHIEF FINANCIAL OFFICER

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**Abhishek Haribhai Patel**  
(Chief Financial Officer)

Place: Surat, Gujarat  
Date: June 4, 2021

#### **DECLARATION BY AMITABEN JOLITBHAI SHAH**

I, Amitaben Jolitbhai Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Amitaben Jolitbhai Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Amitaben Jolitbhai Shah (jointly held with Jolitbhai Jasvantlal Shah)

Place: Surat

Date: June 4, 2021



#### **DECLARATION BY ARUNA JAYANTKUMAR PANDYA**

I, Aruna Jayantkumar Pandya, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Aruna Jayantkumar Pandya, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Aruna Jayantkumar Pandya (jointly held with Jayant Manubhai Pandya)

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY DHIRAJLAL AMRUTLAL AMLANI**

I, Dhirajlal Amrutlal Amlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Dhirajlal Amrutlal Amlani, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Dhirajlal Amrutlal Amlani

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY DIVYA MAHENDRAKUMAR KANKARIA**

I, Divya Mahendrakumar Kankaria, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Divya Mahendrakumar Kankaria, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Divya Mahendrakumar Kankaria

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY GIRISHKUMAR LIMBABHAI CHOVATIA**

I, Girishkumar Limbabbhai Chovatia, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Girishkumar Limbabbhai Chovatia, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Girishkumar Limbabbhai Chovatia

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY CHOVATIA HARESH H**

I, Chovatia Haresh H, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Chovatia Haresh H, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Chovatia Haresh H

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY HARSHAD RAMLAL SHETH**

I, Harshad Ramlal Sheth, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Harshad Ramlal Sheth, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Harshad Ramlal Sheth

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY HINA INDRESHBHAI SHAH**

I, Hina Indreshbhai Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Hina Indreshbhai Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Hina Indreshbhai Shah

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY JOLITBHAI JASVANTLAL SHAH**

I, Jolitbhai Jasvantlal Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Jolitbhai Jasvantlal Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Jolitbhai Jasvantlal Shah (jointly held with Amitaben Jolitbhai Shah)

Place: Surat

Date: June 4, 2021



#### **DECLARATION BY JYOTIBEN RAKESHBHAI LAHOTI**

I, Jyotiben Rakeshbhai Lahoti, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Jyotiben Rakeshbhai Lahoti, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Jyotiben Rakeshbhai Lahoti (jointly held with Rakesh Baluram Lahoti)

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY KIRANBEN GIRISHBHAI CHOVATIA**

I, Kiranben Girishbhai Chovatia, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Kiranben Girishbhai Chovatia, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Kiranben Girishbhai Chovatia

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY KOLADIA MEHUL M**

I, Koladia Mehul M, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Koladia Mehul M, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Koladia Mehul M

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY NARMADABEN AMRUTLAL AMLANI**

I, Narmadaben Amrutlal Amlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Narmadaben Amrutlal Amlani, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Narmadaben Amrutlal Amlani

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY SARYU DHIRAJLAL AMLANI**

I, Saryu Dhirajlal Amlani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Saryu Dhirajlal Amlani, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Saryu Dhirajlal Amlani

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY SHAH DISHA JOLIT**

I, Shah Disha Jolit, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Shah Disha Jolit, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Shah Disha Jolit (jointly held with Jolitbhai Jasvantlal Shah)

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY SHANTI DEVI KANKARIA**

I, Shanti Devi Kankaria, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Shanti Devi Kankaria, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Shanti Devi Kankaria

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY SURABHI YASH SHAH**

I, Surabhi Yash Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Surabhi Yash Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Surabhi Yash Shah

Place: Surat

Date: June 4, 2021



### **DECLARATION BY PARULBEN VAGHASIA**

I, Parulben Vaghasia, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Parulben Vaghasia, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Parulben Vaghasia

Place: Surat

Date: June 4, 2021

#### **DECLARATION BY VRUSHTI ATULKUMAR SHAH**

I, Vrushti Atulkumar Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Vrushti Atulkumar Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Vrushti Atulkumar Shah

Place: Surat

Date: June 4, 2021

### **DECLARATION BY NISHIT ATULKUMAR SHAH**

I, Nishit Atulkumar Shah, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, Nishit Atulkumar Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Nishit Atulkumar Shah

Place: Surat

Date: June 4, 2021