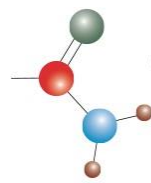




(Please scan this QR Code to view the DRHP)



# SURVIVAL

## DRAFT RED HERRING PROSPECTUS

Dated December 28, 2022

Please read section 32 of the Companies Act, 2013  
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

**100% Book Built Offer**

### SURVIVAL TECHNOLOGIES LIMITED

CORPORATE IDENTITY NUMBER: U74999MH2005PLC154265

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
1401-A, Naman Midtown, 14 <sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai - 400 013, Maharashtra, India	Reena Shivram Yadav <i>Company Secretary and Compliance Officer</i>	<b>Email:</b> investors@survivaltechnologies.in <b>Telephone:</b> +91 22 6190 2000	www.survivaltechnologies.in

### NAMES OF OUR PROMOTERS: VIJAYKUMAR RAGHUNANDANPRASAD AGRAWAL AND NIMAI VIJAY AGRAWAL

#### DETAILS OF OFFER TO PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY – 6(1) / 6(2) & SHARE RESERVATION AMONG QIB, NII & RII
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹2,000.00 million	Up to [●] Equity Shares aggregating up to ₹8,000.00 million	Up to [●] Equity Shares aggregating up to ₹10,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details of share reservation among QIBs, NIIs and RIBs, see “Offer Structure” on page 383.

#### DETAILS OF OFFER FOR SALE BY PROMOTERS / PROMOTER GROUP / OTHER SELLING SHAREHOLDERS

NAME	TYPE	NUMBER OF SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Vijaykumar Raghunandanprasad Agrawal	Promoter	Up to [●] Equity Shares aggregating up to ₹ 5,444.14 million	0.75
Nimai Vijay Agrawal	Promoter	Up to [●] Equity Shares aggregating up to ₹ 2,124.08 million	0.82
Prabha Vijay Agarwal	Promoter Group	Up to [●] Equity Shares aggregating up to ₹ 431.78 million	0.95

\* As certified by Lodha & Co., Chartered Accountants pursuant to their certificate dated December 28, 2022.

#### RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and Offer Price determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for the Offer Price” on page 110, 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 33.



#### ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”, and together with NSE, the “Stock Exchanges”). For the purposes of the Offer, [●] is the Designated Stock Exchange.

#### BOOK RUNNING LEAD MANAGERS AND REGISTRAR TO THE OFFER

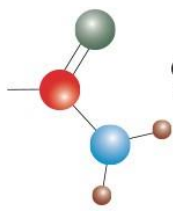
NAME OF BRLMS AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
JM Financial Limited 	Prachee Dhuri	<b>Email:</b> survivaltechnologies.ipo@jmfl.com; <b>Telephone:</b> + 91 22 6630 3030
ICICI Securities Limited 	Gaurav Mittal / Shekhar Asnani	<b>Email:</b> survival.ipo@icicisecurities.com; <b>Telephone:</b> + 91 22 6807 7100
NAME OF REGISTRAR	CONTACT PERSON	EMAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	<b>Email:</b> survival.ipo@linkintime.co.in; <b>Telephone:</b> + 91 810 811 4949

#### BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]**	BID / OFFER OPENS ON	[●]	BID / OFFER CLOSING ON	[●]***
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\*\*Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.

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



# SURVIVAL

DRAFT RED HERRING PROSPECTUS

Dated December 28, 2022

Please read section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer

## SURVIVAL TECHNOLOGIES LIMITED

Our Company was incorporated in Mumbai, Maharashtra, as 'Survival Technologies Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 27, 2005, issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 8, 2022, and consequently, the name of our Company was changed to 'Survival Technologies Limited', and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 13, 2022, was issued by the RoC to our Company. For details of changes in the name and the registered office address of our Company, see 'History and Certain Corporate Matters' on page 206.

Corporate Identity Number: U74999MH2005PLC154265; Website: www.survivaltechnologies.in

Registered and Corporate Office: 1401-A, Naman Midtown, 14<sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai – 400 013 Maharashtra, India

Contact Person: Reena Shivram Yadav, Company Secretary and Compliance Officer

Telephone: +91 22 6190 2000; Email: investors@survivaltechnologies.in

### THE PROMOTERS OF OUR COMPANY ARE VIJAYKUMAR RAGHUNANDANPRASAD AGRAWAL AND NIMAI VIJAY AGRAWAL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹10,000.00 MILLION ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,000.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹8,000.00 MILLION, COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,444.14 MILLION BY VIJAYKUMAR RAGHUNANDANPRASAD AGRAWAL, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,24.08 MILLION BY NIMAI VIJAY AGRAWAL (TOGETHER WITH VIJAYKUMAR RAGHUNANDANPRASAD AGRAWAL, THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹431.78 MILLION BY PRABHA VIJAY AGRAWAL (THE "PROMOTER GROUP SELLING SHAREHOLDER", AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). 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 OF SPECIFIED SECURITIES FOR CASH CONSIDERATION, 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 COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE FACE VALUE OF THE EQUITY SHARE IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", and such portion, the "QIB Portion"), provided that our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-third shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category) 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. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, see "Offer Procedure" on page 386.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 each. The Offer Price, Floor Price or the Price Band as determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for the Offer Price" on page 110, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding 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 have not been recommended or approved by 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 33.

### ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 431.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Chenergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India <b>Telephone:</b> + 91 22 6630 3030 <b>Email:</b> survivaltechnologies.ipo@jmf.com <b>Investor grievance email:</b> grievance.ibd@jmf.com <b>Website:</b> www.jmf.com <b>Contact Person:</b> Prachee Dhuri <b>SEBI Registration No.:</b> INM000010361	<b>ICICI Securities Limited</b> ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India <b>Telephone:</b> + 91 22 6807 7100 <b>Email:</b> survival.ipo@icicisecurities.com <b>Investor grievance e-mail:</b> customercare@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Contact Person:</b> Gaurav Mittal / Shekhar Asnani <b>SEBI Registration No.:</b> INM000011179	<b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg Vikhroli West, Mumbai 400 083 Maharashtra, India <b>Telephone:</b> + 91 810 811 4949 <b>Email:</b> survival.ipo@linkintime.co.in <b>Investor grievance email:</b> survival.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

[●]

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, circular, notification, direction, clarification or policy shall be to such legislation, act, regulation, rule guidelines, circular, notification, direction, clarification 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 “Basis for the Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, and “Main Provisions of the Articles of Association” on pages 110, 122, 126, 200, 233, 352 and 408 respectively will have the meaning ascribed to such terms in those respective sections.*

#### General terms

Term	Description
our Company / the Company / the Issuer / we / us / our	Survival Technologies Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered and Corporate Office at 1401-A, Naman Midtown, 14 <sup>th</sup> Floor Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai – 400 013 Maharashtra, India

#### Company-related terms

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of the Board of Directors, constituted in accordance with the Companies Act, 2013 and the Listing Regulations, described in “ <i>Our Management – Corporate Governance</i> ” on page 215
Board / Board of Directors	The board of directors of our Company or any duly constituted committee thereof
Chairman and Whole-time Director	Vijaykumar Raghunandanprasad Agrawal, the chairman and Whole-time Director of the Company, described in “ <i>Our Management</i> ” on page 210
Chartered Engineer	Chetan Kishore
Chief Financial Officer / CFO	The Director Finance and Strategies & chief financial officer of our Company, namely Dinesh Bhalotia. For details, see “ <i>Our Management – Key Managerial Personnel</i> ” on page 224
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely Reena Shivram Yadav. For details, see “ <i>Our Management – Key Managerial Personnel</i> ” on page 224
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in “ <i>Our Management – Corporate Governance</i> ” on page 215
CRISIL Research	CRISIL Research, a division of CRISIL Limited
CRISIL Report	Industry report titled “Assessment of the heterocyclic and fluoro-organic compounds industry” dated December 2022, which is exclusively prepared for the purpose of the Offer and issued by CRISIL and is commissioned and paid for by our Company. CRISIL was appointed on August 18, 2022. The CRISIL Report will be available on the website of our Company at <a href="http://survivaltechnologies.in/investor-relations">http://survivaltechnologies.in/investor-relations</a> until the Bid / Offer Closing Date.
Director(s)	The director(s) on the Board of our Company, as appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹2 each
Executive Director(s)	Executive director(s) of our Company. For further details of our Executive Director(s), see “ <i>Our Management</i> ” on page 210
Group Companies	Our group companies, as disclosed in the section “ <i>Group Companies</i> ” on page 230
Independent Director(s)	Non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see “ <i>Our Management</i> ” on page 210

<b>Term</b>	<b>Description</b>
IPO Committee	IPO committee of the Board of Directors, comprising Vijaykumar Raghunandanprasad Agrawal, Nimai Vijay Agrawal and Prabha Vijay Agarwal. For details, see “ <i>Our Management – Committees of our Board</i> ” on page 216
Joint Auditors / Joint Statutory Auditors	The current joint statutory auditors of our Company, being SRBC & Co LLP, Chartered Accountants and Lodha & Co., Chartered Accountants
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 described in “ <i>Our Management – Key Managerial Personnel</i> ” on page 224
Managing Director and Chief Executive Officer	Nimai Vijay Agrawal, the managing director and chief executive officer of our Company, as described in “ <i>Our Management</i> ” on page 210
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated December 19, 2022, for identification of material (a) outstanding litigation proceedings of our Company, our Promoters and our Directors; (b) group companies; and (c) creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring 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 the Board of Directors, described in “ <i>Our Management – Corporate Governance</i> ” on page 215
Promoter(s)	The Promoters of our Company, namely Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal
Promoter Selling Shareholder(s)	Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal
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 227
Promoter Group Selling Shareholder	Prabha Vijay Agrawal
Registered and Corporate Office	The registered and corporate office of our Company, situated at 1401-A, Naman Midtown, 14th Floor, Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai - 400 013 Maharashtra, India
Restated Financial Information	The restated financial information of our Company, as at and for the three months ended June 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, comprising the restated statement of assets and liabilities as at June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, restated statements of profit and loss (including other comprehensive income), and restated cash flow statements and restated statements of changes in equity for the three months ended June 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of notes and other explanatory information derived from our audited financial statements as at and for the three months ended June 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 which are based on our audited financial statements as at and for the three months ended June 30, 2022 prepared in accordance with Ind AS 34 and our audited financial statements as at and for the year ended March 31, 2022 prepared in accordance with Ind AS and our special purpose Ind AS financial statements of our Company as at and for each of the years ended March 31, 2021 and March 31, 2020, prepared by our Company pursuant to e-mail dated October 28, 2021, from SEBI to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Ind AS which has been communicated by the BRLMs to the Company pursuant to email dated July 4, 2022 (“ <b>SEBI Letter</b> ”) and prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed, as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping / classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30, 2022 pursuant to the SEBI Letter and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Risk Management Committee	The risk management committee of the Board of Directors, described in “ <i>Our Management – Corporate Governance</i> ” on page 215
RoC / Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Selling Shareholder(s)	Collectively, the Promoter Selling Shareholders and the Promoter Group Selling Shareholder

<b>Term</b>	<b>Description</b>
Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors, described in " <i>Our Management – Corporate Governance</i> " on page 215
Unit I	The manufacturing unit of our Company located at Plot No. 9110/1, 9111/1, GIDC Ankleshwar, Bharuch, Gujarat
Unit II	The manufacturing unit of our Company located at Plot No. C-1/8-7003, GIDC Ankleshwar, Bharuch, Gujarat
Unit III	The manufacturing unit of our Company located at Plot No. 1013, 1015, 1017, 1114, 1116, 1118 & 1120, Opp. L.S Chemical, GIDC, Sarigam, Nargol Road, Gujarat
Whole-time Director(s)	Whole-time director(s) of our Company

### Offer-related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard
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 or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	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, 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 during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid / Offer Closing Date
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
Applications 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 specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors

<b>Term</b>	<b>Description</b>
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 386
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 of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder 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	<p>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 [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located). In case of any revisions, the extended Bid / Offer Closing Date shall also be notified on the website of the BRLMs and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank(s), and shall also be notified in an advertisement in the same newspapers in which the Bid / Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p> <p>Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.</p>
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 [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located)
Bid / Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors</p> <p>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid / Offer Period for the QIB Category one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations</p>
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 at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer namely JM Financial Limited and ICICI Securities Limited



<b>Term</b>	<b>Description</b>
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI, and 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, including Anchor Investors, and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation 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> ) as updated from time to time
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 in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs and Non-Institutional Investors Bidding with an application size of up to ₹ 0.50 million (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders with an application size of more than ₹ 0.50 million (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
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="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://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 December 28, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto

<b>Term</b>	<b>Description</b>
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, among other things, the appointment of the Escrow and Sponsor Bank(s), the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	<p>The fresh issue component of the Offer comprising of an issuance by our Company of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹2,000.00 million</p> <p>The Company and the Selling Shareholders, 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 complying with Rule 19(2)(b) of the SCRR</p>
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The Offer proceeds from the Fresh Issue
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Minimum NIB Application Size	Bid amount of more than ₹ 200,000 in the specified lot size
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement dated [●] to be entered into between our Company and the Monitoring Agency
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer</i> " on page 101
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹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 to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the

<b>Term</b>	<b>Description</b>
	following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹10,000.00 million comprising the Fresh Issue and the Offer for Sale  The 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 complying with Rule 19(2)(b) of the SCRR
Offer Agreement	The agreement dated December 28, 2022, amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer of up to [●] Equity Shares aggregating up to ₹8,000.00 million, comprising of an offer for sale of up to [●] Equity Shares aggregating up to ₹5,444.14 million by Vijaykumar Raghunandanprasad Agrawal, up to [●] Equity Shares aggregating up to ₹2,124.08 million by Nimai Vijay Agrawal and up to [●] Equity Shares aggregating up to ₹431.78 million by Prabha Vijay Agarwal
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus  The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 101
Offered Shares	Up to [●] Equity Shares aggregating up to ₹8,000.00 million being offered by the Selling Shareholders as part of the Offer for Sale, comprising up to [●] Equity Shares aggregating up to ₹5,444.14 million by Vijaykumar Raghunandanprasad Agrawal, up to [●] Equity Shares aggregating up to ₹2,124.08 million by Nimai Vijay Agrawal and up to [●] Equity Shares aggregating up to ₹431.78 million by Prabha Vijay Agarwal
Pre-IPO Placement	A pre-IPO placement of specified securities for cash consideration which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC.  If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. 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 the objects of the Offer.
Price Band	Price band ranging from a minimum price of ₹[●] per Equity Share (Floor Price) to 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 [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) 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
Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters’ contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment.
Prospectus	The prospectus dated [●] 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

<b>Term</b>	<b>Description</b>
	determined in accordance with 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 [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Offer
QIB Category / QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of up to [●] Equity Shares 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
Red Herring Prospectus / RHP	<p>The red herring prospectus dated [●] 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</p> <p>The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p>
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 SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated December 28, 2022, 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 and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and in terms of the UPI Circulars
Registrar to the Offer / Registrar Resident Indian	Link Intime India Private Limited A person resident in India, as defined under FEMA
Retail Individual Bidder(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 <i>karta</i> 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 up to [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	<p>Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable</p> <p>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</p>
Self-Certified Bank(s) / SCSB(s) Syndicate	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <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> and <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 may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <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 may be prescribed by SEBI from time to time

Term	Description
	<p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<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>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <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 updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<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>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p>
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	Agreement dated [●] to be entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [●] to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered into among the Underwriters, our Company and the Selling Shareholders on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidder	<p>Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>

<b>Term</b>	<b>Description</b>
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Mobile App and by way of a SMS directing the UPI Bidder to such UPI Mobile App) to the RIB initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, the expression “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai, India, as per the circulars issued by SEBI

### Conventional and general terms and abbreviations

<b>Term</b>	<b>Description</b>
AIF(s)	Alternative Investment Funds
Bn	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate, which is computed by dividing the value as at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result $(\text{End Value} / \text{Start Value})^{(1 / \text{Periods})} - 1$
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
CCI	Competition Commission of India
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Competition Act	Competition Act, 2002

<b>Term</b>	<b>Description</b>
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPITT file number 5(2)/2020-FDI Policy dated October 15, 2020, and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID - 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Depositories	NSDL and CDSL, collectively
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIT	The Department for Promotion of Industry and Internal Trade (earlier known as Department of Industrial Policy and Promotion)
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EGM	Extraordinary general meeting
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
Euro	Euro, the official currency of the European Union
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IFSC	Indian Financial System Code
IGST	Integrated Goods and Services Tax
Income Tax Act/ IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
IGAAP / Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
IT	Information Technology
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds Based Lending Rate

<b>Term</b>	<b>Description</b>
Mn / mn	Million
MoU	Memorandum of Understanding
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI / Non-Resident Indian	Non-Resident Indian
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 beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
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 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, 1999
STT	Securities Transaction Tax
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
US\$ / USD / US Dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / US	United States of America and its territories and possessions, including any state of the United States
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

#### **Business, technical and industry-related terms**



Term	Description
API	Active pharmaceutical intermediates
Average Sales Realization	Average sales realization is calculated as revenue from operations divided by total quantity sold
Basic EPS	Basic EPS amounts are calculated by dividing the profit for the period / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year. Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. The company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33
Contribution to Revenue from Operations of Top 1 / 3 / 5 / 10 Customers	Aggregate revenue from top 1 / 3 / 5 / 10 customers divided by total Revenue from Operations
Contribution to Revenue from Operations of Top 3 / 5 / 10 Products	Aggregate revenue from top 3 / 5 / 10 products divided by total Revenue from Operations
CRAMS	Contract research and manufacturing services which represents end-to-end product development based on the request of a customer to develop such product which has not been manufactured by us prior to such request.
DCPC	Department of Chemicals and Petrochemicals
Diluted EPS	Diluted EPS amounts are calculated by dividing the profit for the period- / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year. Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. The company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33
DSIR	Department of Scientific and Industrial Research
EBITDA	EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income
EBITDA Margin (%)	EBITDA margin (%) is calculated as EBITDA divided by Revenue from Operations
GDP	Gross Domestic Product
GPCB	The Gujarat Pollution Control Board
Gross Margin (%)	Gross margin (%) is calculated as gross profit divided by revenues from operations
Gross Profit	Gross profit is calculated as revenue from operations less cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress
Growth in Revenue from Operations (%)	Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period
IIP	Index of Industrial Production
Inventory Turnover Ratio	Inventory turnover ratio is calculated as revenue from operations less export incentives divided by average inventory for the year / period. Average inventory is calculated as an average of inventory at the beginning of the year/ period and inventory at the end of the year/period.
KSM	Key Starting Materials
MT	Metric Tonnes
Net Asset Value per Equity Share	Calculated as total equity divided by weighted average number of equity shares outstanding during the respective year / period. Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value to ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. The company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of net asset value per equity share as per the principles of Ind AS 33
Net Capital Turnover Ratio	Net capital turnover ratio is calculated as revenue from operations divided by working capital requirements (being total current assets – total current liabilities)

Term	Description
Net Fixed Asset Turnover	Net fixed asset turnover is calculated as revenue from operations divided by fixed assets which consists of property, plant and equipment and capital work-in-progress
Net Working Capital Days	Net working capital days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year
Net Worth	Net worth amounts are calculated as sum of equity share capital and other equity
NPA	Non-performing assets
Operating Cash Flows	Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements
Profit After Tax	Profit after tax means profit for the period / year as appearing in the Restated Financial Statements
PAT Margin (%)	PAT Margin (%) is calculated as profit for the period / year as a percentage of Revenue from Operations
PCPIRs	Petroleum, chemicals and petrochemicals investment regions
PMI	Purchasing Managers' Index
PLI	Production-linked incentive
R&D	Research and Development
Revenue from Domestic and Export Market	Revenue from domestic and export market refers to corresponding disclosures in the Restated Financial Statements under revenue from contract recognised at a point in time
Revenue from Operations	Revenue from operations as appearing in the Restated Financial Statements
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation
RoCE (Return on Capital Employed) (%)	RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non current liabilities
ROE (Return on Equity) (%)	ROE (return on equity) (%) is calculated as profit for the period/year divided by total equity
TFS	Together for Sustainability audit which is an on-site examination of a company's business sites and practices
Total Borrowings	Total borrowings is calculated as borrowings (non-current) plus borrowings (current)
Total Quantity Sold	Total quantity sold refers to the total units (Kgs) of products sold during the year / period
TPA	Tonnes Per Annum

## **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.”, the “USA”, or the “United States” are to the United States of America and its territories and possessions and all references to “U.K.”, or “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland.

### **Page Numbers**

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

The Restated Financial Information comprises the restated statement of assets and liabilities as at June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, restated statements of profit and loss (including other comprehensive income), and restated cash flow statements and restated statements of changes in equity for the three months ended June 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of notes and other explanatory information derived from our audited financial statements as at and for the three months ended June 30, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 which are based on our audited financial statements as at and for the three months ended June 30, 2022 prepared in accordance with Ind AS 34 and our audited financial statements as at and for the year ended March 31, 2022 prepared in accordance with Ind AS and our special purpose Ind AS financial statements of our Company as at and for each of the years ended March 31, 2021 and March 31, 2020, prepared by our Company pursuant to e-mail dated October 28, 2021, from SEBI to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Ind AS which has been communicated by the BRLMs to the Company pursuant to email dated July 4, 2022 (“**SEBI Letter**”) and prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed, as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping / classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30, 2022 pursuant to the SEBI Letter and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. We have included certain information as at / for the three months ended June 30, 2022 which may not be indicative of our future results for the full year and may not be comparable with annual financial information included herein.

The audited financial statements for the three months ended June 30, 2022 and for the years ended March 31, 2022 have been audited by our Joint Statutory Auditors. The audited financial statements for the years ended March 31, 2021 and March 31, 2020 have been audited by the previous statutory auditors, S. K. Bhageria & Associates, Chartered Accountants. The special purpose Ind AS financial statements for the years ended March 31, 2021 and March 31, 2020 have been audited by one of our Joint Statutory Auditors, Lodha & Co., Chartered Accountants.

For further information on our Company’s financial information, please see “*Financial Information*” on page 233.

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.

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

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, please see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 71.

#### **Non-GAAP measures**

Certain non-GAAP measures presented in this Draft Red Herring Prospectus such as Net Asset Value per Equity Share, Return on Net Worth, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, and Return on Equity are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP measures, and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company's management believes that they are useful information in relation to our business and financial performance.

#### **Industry and market data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been derived from a report dated December 2022 and titled "*Assessment of the heterocyclic and fluoro-organic compounds industry*" (the "**CRISIL Report**") that has been commissioned and paid for by our Company and prepared by CRISIL Research exclusively for the purpose of understanding the industry our Company operates in, in connection with the Offer. The CRISIL Report is available on the website of our Company at <http://survivaltechnologies.in/investor-relations>, until the Bid / Offer Closing Date. CRISIL Research has confirmed vide its letter dated December 23, 2022 that it is an independent agency, and is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or the Book Running Lead Managers.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, and while industry publications generally state that the information contained in such publications has been obtained

from sources generally believed to be reliable, such industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect, and their accuracy, adequacy, completeness or reliability are not guaranteed and cannot be assured. The data used in these sources may also have been reclassified by us for the purposes of presentation and may also not be comparable. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful 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 we conduct business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose" on page 55. Accordingly, no investment decisions should be made based on such information.

In accordance with the SEBI ICDR Regulations, the section "Basis for the Offer Price" on page 110 includes information relating to our peer group companies, which has been derived from publicly available sources.

### **Disclaimer of CRISIL Research**

This Draft Red Herring Prospectus contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

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

### **Currency and Units of Presentation**

All references to:

- 'Rupees' or '₹' or 'Rs.' or **INR** are to Indian Rupees, the official currency of the Republic of India.
- 'U.S.\$', 'U.S. Dollar', 'USD' or 'U.S. Dollars' are to United States Dollars, the official currency of the United States of America.
- 'Euro' are to Euro, the official currency of the European Union.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such number of decimal points as provided in such respective sources. 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 figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

## 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.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

*(in ₹)*

Currency	Exchange Rate as on			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	78.94	75.81	73.50	75.38
1 EUR	82.58	84.66	86.10	85.05

Source: [www.fbil.org.in](http://www.fbil.org.in)

Note: Exchange rate is rounded off to two decimal places

## Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in “offshore transactions” (as defined under Regulation S) in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

## Notice to Prospective Investors in the European Economic Area

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area (“EEA”) (each a “Member State”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Book Running Lead Managers to produce a prospectus for such offer. None of the Company or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

## Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Equity Shares the subject of the Issue have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

## Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the “**FSMA Order**”), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are “qualified investors” within the meaning of Article 21 of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as “**relevant persons**”). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this Draft Red Herring Prospectus to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

## Information to Distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Equity Shares the subject of the Offer have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, “distributors” (for the purposes of the UK Product Governance Requirements) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone

or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.



## 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”, “shall”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “project”, “propose”, “seek to”, “will”, “will achieve”, “will continue”, “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. However, these are not the exclusive means of identifying 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. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. These forward-looking statements are based on our management’s belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information. As a result, actual results 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.

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. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. 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 to, and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- dependence on the success of our relationships with our customers;
- risks associated with the manufacturing processes;
- requirement to obtain, renew or maintain statutory and regulatory permits, licenses and approvals;
- unanticipated delays in implementation and cost overruns in setting up our new manufacturing facility;
- short-term agreements with suppliers for raw materials and dependence on imported raw materials.

For a further discussion of factors that could cause our actual results to differ from our estimates and expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 174 and 308, respectively.

Neither our Company, nor the Selling Shareholders, nor the BRLMs, nor any Syndicate Member, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of the Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall ensure that investors in India are informed of material

developments in relation to the statements and undertakings specifically undertaken or confirmed by them in the Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Our Business”, “Industry Overview”, and “Outstanding Litigation and Other Material Developments” on pages 33, 74, 90, 174, 126 and 352 respectively of this Draft Red Herring Prospectus.

### Primary business of our Company

We are a contract research and manufacturing services (“CRAMS”) focused speciality chemical manufacturer in India. (Source: CRISIL Report) We are one of the leading CRAMS companies in India in terms of manufacturing of select products as of March 31, 2022. (Source: CRISIL Report) We are engaged in the supply of specialty chemicals with multiple applications. Many products we sell domestically are import substitutes that were formerly imported from China. (Source: CRISIL Report) Since April 1, 2007 and March 31, 2022, we synthesized 677 products of which over 500 products have been commercially produced and sold to various customers across our export markets.

### Summary of the industry in which our Company operates

India is the world’s sixth-largest chemical manufacturer, and accounts for 3.4% of worldwide chemical production. (Source: CRISIL Report) The Indian chemical industry was valued at US\$ 178 billion in 2019 and is expected to grow to US\$ 304 billion by 2025. As of 2020, the Indian chemical industry had a share of approximately 3% in the global chemical industry. (Source: CRISIL Report). It is ranked sixth at the global level and fourth in Asia. The country ranks eighth in global export of chemicals (excluding pharmaceutical products) and seventh in global import of chemicals (excluding pharmaceutical products). (Source: CRISIL Report)

### Name of Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters are Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal. For further details, see “Our Promoters and Promoter Group” on page 227.

### Offer size

The following table summarizes the details of the Offer. For further details, see “The Offer” and “Offer Structure” on pages 74 and 383, respectively.

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 ₹10,000.00 million
of which	
(i) Fresh Issue <sup>(1)^</sup>	Up to [●] Equity Shares aggregating up to ₹ 2,000.00 million
(ii) Offer for Sale <sup>(2)</sup>	Up to [●] Equity Shares aggregating up to ₹8,000.00 million being offered by the Selling Shareholders (comprising up to [●] Equity Shares aggregating up to ₹5,444.14 million by Vijaykumar Raghunandanprasad Agrawal, up to [●] Equity Shares aggregating up to ₹2,124.08 million by Nimai Vijay Agrawal and up to [●] Equity Shares aggregating up to ₹ 431.78 million by Prabha Vijay Agarwal)

<sup>(1)</sup> The Offer has been authorized by a resolution of our Board dated December 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated December 17, 2022.

<sup>(2)</sup> Each of the Selling Shareholder, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 359.

<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 complying with Rule 19(2)(b) of the SCRR.

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

### Objects of the Offer

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

Objects	Amount**
Funding our working capital requirements	1,750.00
General corporate purposes*	[●]
<b>Net Proceeds*</b>	[●]

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

\*\* 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 complying with Rule 19(2)(b) of the SCRR. 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 the objects of the Offer.

For further details, see “Objects of the Offer” on page 101.

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

The aggregate pre-Offer shareholding of our Promoters, the members of our Promoter Group (other than our Promoters), and the Selling Shareholders, as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
<b>Promoters</b>			
1.	Vijaykumar Raghunandanprasad Agrawal*	58,629,750	67.98%
2.	Nimai Vijay Agrawal*	22,875,000	26.52%
	<b>Total (A)</b>	<b>81,504,750</b>	<b>94.50%</b>
<b>Promoter Group</b>			
3.	Prabha Vijay Agarwal*	4,650,000	5.39%
4.	Gauri Jain	91,500	0.11%
5.	Laxmi Bansal	1,500	Negligible
6.	Namrata Agrawal	1,500	Negligible
	<b>Total (B)</b>	<b>4,744,500</b>	<b>5.50%</b>

\*Also a Selling Shareholder

### Summary derived from the Restated Financial Information

The following information has been derived from our Restated Financial Information for the three months ended June 30, 2022 and the last three Fiscals:

(₹ in million, except per share data)

Particulars	As at and for the three months ended June 30, 2022	As at and for the Fiscal ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Equity Share capital	57.50	57.50	57.50	57.50
Net Worth <sup>(1)</sup>	2,502.83	2,253.22	1,524.21	962.95
Revenue from operations <sup>(2)</sup>	1,000.20	3,117.82	2,747.90	1,991.46
Profit for the period / year	248.79	734.62	563.20	190.53
Earnings per share (basic) <sup>(3)</sup>	2.88*	8.52	6.53	2.21
Earnings per share (diluted) <sup>(4)</sup>	2.88*	8.52	6.53	2.21
Net Asset Value per Equity Share <sup>(5)</sup>	29.02	26.12	17.67	11.16
Total Borrowings <sup>(6)</sup>	-	-	-	219.96

\* Not annualised

(1) Net Worth amounts are calculated as sum of equity share capital and other equity

(2) Revenue from Operations means the revenue from operations as appearing in the Restated Financial Statements

(3) Basic EPS amounts are calculated by dividing the profit for the period / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year.

Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 Equity Shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up Equity Share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33.

(4) Diluted EPS amounts are calculated by dividing the profit for the period / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year.

Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 Equity Shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up Equity Share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33.

(5) Calculated as total equity divided by weighted average no. of equity shares outstanding during the respective year / period. Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 Equity Shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up Equity Share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of net asset value per equity share as per the principles of Ind AS 33.

(6) Total borrowings is calculated as borrowings (non-current) plus borrowings (current).

For further details, see “Restated Financial Information” and “Other Financial Information” on pages 233 and 302 respectively.

### Auditor qualifications

There are no qualifications by our Joint Statutory Auditors which have not been given effect to in the Restated Financial Information.

### Summary of Outstanding litigation

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

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation <sup>#</sup>	Aggregate amount involved* (₹ in million)
<b>Company</b>						
By the Company	1	-	-	-	1	36.41
Against the Company	-	7	1	-	-	24.32
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	-	9	-	-	-	9.31
<b>Promoters</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	8	-	-	-	9.30

<sup>#</sup> Determined in accordance with the Materiality Policy.

\*To the extent quantifiable.

Further, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company. For further details, see “Outstanding Litigation and Other Material Developments” on page 352.

### Risk factors

Specific attention of the Investors is invited to “Risk Factors” on page 33 to have an informed view before making an investment decision.

### Summary of contingent liabilities

As of June 30, 2022, our contingent liabilities as per Ind AS 37 and as per the Restated Financial Information were as follows:

Particulars	Amount (₹ in million)
Tax matters in dispute under appeal	24.32

For further information on such contingent liabilities as at June 30, 2022 as per Ind AS 37, see “Restated Financial Information – 37 Contingent Liabilities” on page 279.

### Summary of related party transactions

A summary of the related party transactions entered into by our Company in Fiscals 2020, 2021, 2022 and the three months ended June 30, 2022, and as per Ind AS 24 – Related Party Disclosures derived from the Restated Financial Information is detailed below:

(₹ in million)						
Particulars	Name of the Related party	Designation / Relationship	Three months ended June 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Remuneration	Vijaykumar Raghunandanprasad Agrawal	Chairman and Whole Time Director	10.50	42.00	24.07	10.80
Remuneration	Nimai Vijay Agrawal	Managing Director and Chief Executive Officer	10.50	42.00	24.24	17.10
Remuneration	Prabha Vijay Agarwal	Whole Time Director	4.50	18.00	12.00	1.20
Remuneration	Ramendra Dixit	Director (Upto November 1, 2019)	-	-	-	2.20
Remuneration	Vaishali Sawant	Director (w.e.f. June 10, 2019 and upto December 2, 2019)	-	-	-	0.26
Professional Fees	Laxmi Bansal	Relative of Whole Time Director	0.20	1.66	1.79	1.39
Professional Fees	Rambhakt Agrawal	Relative of Director	-	0.50	-	0.85
Rent Expense	Prabha Vijay Agarwal	Whole Time Director	0.30	1.20	1.20	1.20
Sale of Goods	Spectrochem Private Limited	Director has a significant influence	3.97	19.08	3.44	2.14
Sale of Goods	Sisco Research Laboratories Private Limited	Director has a significant influence	0.85	2.71	0.22	0.74
Sale of Goods	Rudra Speciality Chem Private Limited	Director has a significant influence	17.83	24.78	62.14	9.42
Purchase of Goods	Rudra Speciality Chem Private Limited	Director has a significant influence	174.59	150.30	117.57	44.78
Corporate Social Responsibility Expenses including other Donations	Raghunandan Prasad Agrawal Charitable Trust	Director has a significant influence	6.32	10.93	2.71	-

For further details, see “*Other Financial Information – Related Party Transactions*” on page 306.

### Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

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

S. No.	Name	Number of Equity Shares acquired in the last one year preceding the date of this Draft Red Herring Prospectus	Weighted average price of acquisition per Equity Share (in ₹)*
<b>Promoters</b>			
1.	Vijaykumar Raghunandanprasad Agrawal <sup>#</sup>	39,086,500	Nil <sup>^</sup>
2.	Nimai Vijay Agrawal <sup>#</sup>	15,250,000	Nil <sup>^</sup>
<b>Selling Shareholders (other than the Promoter Selling Shareholders)</b>			
1.	Prabha Vijay Agarwal <sup>##</sup>	3,100,000	Nil <sup>^</sup>

<sup>#</sup> Also a Promoter Selling Shareholder

<sup>##</sup> Also a Promoter Group Selling Shareholder

\* As certified by Lodha & Co., Chartered Accountants by way of their certificate dated December 28, 2022.

<sup>^</sup> The acquisition price is Nil since these Equity Shares were allotted pursuant to a bonus issue. For details, see “*Capital Structure*” on page 90.

### Average cost of acquisition

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

S. No.	Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
<b>Promoters</b>			
1.	Vijaykumar Raghunandanprasad Agrawal <sup>#</sup>	5,86,29,750	0.75
2.	Nimai Vijay Agrawal <sup>#</sup>	2,28,75,000	0.82
<b>Selling Shareholders (other than the Promoter Selling Shareholders)</b>			
1.	Prabha Vijay Agarwal <sup>##</sup>	46,50,000	0.95

<sup>#</sup> Also a Promoter Selling Shareholder

<sup>##</sup> Also a Promoter Group Selling Shareholder

\* As certified by Lodha & Co., Chartered Accountants by way of their certificate dated December 28, 2022.

For further details of the average cost of acquisition of our Promoters, see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 95.

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

Period	Weighted average cost of acquisition per Equity Share (in ₹) <sup>^</sup>	Cap Price is ‘x’ times the weighted average cost of acquisition*	Range of acquisition price per Equity Share: lowest price – highest price (in ₹) <sup>^</sup>
Last one year preceding the date of this Draft Red Herring Prospectus	Nil	[•]	0 – 0
Last 18 months preceding the date of this Draft Red Herring Prospectus	Nil	[•]	0 – 0
Last three years preceding the date of this Draft Red Herring Prospectus	Nil	[•]	0 – 0

<sup>^</sup> As certified by Lodha & Co., Chartered Accountants by way of their certificate dated December 28, 2022.

\*To be updated in the Prospectus.

Note: In the last three years, 18 months and one year, our Company has only issued bonus shares, and no new shares are issued or transferred (except by way of gift) to or by the shareholders and hence the weighted average cost of acquisition and the range is Nil.

### **Details of Pre-IPO placement**

Our Company, in consultation with the BRLMs, may consider a pre-IPO placement of specified securities for cash consideration at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

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

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**

Pursuant to the resolutions passed by our Board of Directors on June 17, 2022 and our Shareholders on July 18, 2022, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the authorised share capital of our Company, being 10,000,000 equity shares of ₹ 10 each was split into 50,000,000 Equity Shares of ₹ 2 each, and the issued, subscribed and paid-up equity share capital of our Company, being 5,750,000 equity shares of ₹ 10 each was split into 28,750,000 Equity Shares of ₹ 2 each. For further details, please see “*Capital Structure –Equity Share capital history of our Company*” on page 90.

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

Our Company has not applied for an exemption from complying with any provisions of securities laws by SEBI.



### SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus.*

*The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Information” on pages 174, 126, 308 and 233, 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. Unless otherwise indicated or unless context requires otherwise, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus.*

*Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 25.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of the heterocyclic and fluoro-organic compounds industry” dated December 23, 2022 (the “CRISIL Report”) prepared and issued by CRISIL Limited appointed on August 18, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at <http://survivaltechnologies.in/investor-relations>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant financial year. For more information, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 20.*

#### **Valuation Risk Factor**

- 1. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.***

Our revenue from operations and profit for the period/year for Fiscal 2022 was ₹ 3,117.82 million and ₹ 734.62 million and for the three months period ended June 30, 2022 was ₹ 1,000.20 million and ₹ 248.79 million, respectively and our price to revenue from operations (Fiscal 2022) multiple is [●] times at the upper end of the Price Band and our price to revenue from operations (three months period ended June 30, 2022) multiple is [●] times at the upper end of the Price Band. Our market capitalization to revenue from operations (Fiscal 2022) multiple is [●] times at the upper end of the Price Band and our market capitalization to revenue from operations (three months period ended June 30, 2022) multiple is [●] times at the upper end of the Price Band.

The table below provides details of our price to earnings ratio and market capitalization to revenue from operations:

Particulars	Price to Earnings Ratio*	Price to Revenue*	Market Capitalization to Revenue*
For the three months period ended June 30, 2022	●	●	●
For Fiscal 2022	●	●	●

*\*To be populated at Prospectus stage*

The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled “*Basis for the Offer Price*” on page 110 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

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 international markets, regulatory amendments or similar situations, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, the market price of the Equity Shares may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

#### Internal Risk Factors

- We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.*

We served 387, 407, 434, and 201 customers in Fiscal 2020, 2021, and 2022 and in the three months ended June 30, 2022, respectively.

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Customer Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	112.35	5.64%	217.99	7.93%	268.30	8.61%	174.04	17.40%
Top 5	386.29	19.40%	652.59	23.75%	779.25	24.99%	411.64	41.16%
Top 10	603.79	30.32%	962.14	35.01%	1104.66	35.43%	581.82	58.13%

*\*Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal / period.*

We expect that we will continue to be reliant on our top customers for the foreseeable future. There can be no assurance that our top customers will continue to place similar orders with us in the future as they had placed in the past. A significant decrease in business from such top customers, whether due to circumstances specific to such customer or adverse market conditions or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition.

In addition, while there have been certain instances in the past wherein the customers defaulted or delayed payments, such instances did not have material impact on results of operations. Further, we have initiated

proceedings before the appropriate forums against certain such customers and the same are pending adjudication. Any defaults or delays in payments by any customer or the insolvency or financial distress of any customer may have an adverse effect on our business, financial condition and results of operations. For details regarding the proceedings initiated by us against the aforesaid customers for the default or delay in payments, see “*Outstanding Litigation and Other Material Developments*” on page 352.

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

In addition, although we receive repeat orders from customers, we do not enter into long-term contracts with our customers and have no exclusivity arrangement with any of them. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our inventory costs, which may adversely affect our profitability and liquidity. While there have been no such instances in the last three Fiscals and in the three months ended June 30, 2022 wherein the customers cancelled their orders, we cannot assure you that such events may not happen in future. Further, there have certain instances wherein our products being returned by our customers in the past as the products did not meet the customers specifications, and while such instances did not have a material impact on our results of operations, there can be no assurance that such instances will not take place in the future. In addition, we may not find any customers or purchasers for the surplus or excess products manufactured, in which case we would be forced to incur a loss. Our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Our relationships with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers.

We typically provide our customers with credit periods of 30 days to 120 days from the date of delivery, as part of our standard payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, there is a risk that our estimates may not be accurate. As at March 31, 2020, March 31, 2021 and March 31, 2022 and as at June 30, 2022, our trade receivables were ₹ 810.60 million, ₹ 759.22 million, ₹ 1,198.94 million and ₹ 1,338.70 million, respectively which accounted for 40.70%, 27.63%, 38.45% and 133.84% of our revenue from operations, respectively. Any increase in our receivable turnover days or write-offs will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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

Our competitiveness, manufacturing costs, and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials.

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

The table below sets forth details relating to cost of material consumed as a percentage of our total revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Cost of Material Consumed	1,202.44	60.38%	1,545.78	56.25%	1,582.49	50.76%	437.22	43.71%

The table below sets forth certain information relating to our raw materials suppliers in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Supplier Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1	73.85	3.71%	155.53	5.66%	150.31	4.82%	174.59	17.45%
Top 3	163.33	13.58%	346.17	22.39%	381.59	24.11%	275.44	63.00%
Top 5	233.27	19.40%	476.85	30.85%	519.42	32.82%	321.03	73.43%
Top 10	366.63	30.49%	701.85	45.40%	807.83	51.05%	312.20	71.41%

\*Suppliers may vary across Fiscals / period and does not refer to the same supplier across all Fiscals / periods and depend on our specific requirements of raw materials which depends on the requirement of our customers in the relevant Fiscal / period.

For further information in relation to risks associated with raw materials imported by us, see " - Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations." on page 40.

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

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

We have historically sourced raw materials from multiple vendors in India as well as from vendors outside India. Although we have not faced significant disruptions in the procurement of raw materials in the past, the occurrence of any such event may adversely affect our business, results of operations and financial condition.

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

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

As on the date of this Draft Red Herring Prospectus, we have three manufacturing facilities in operations with two of them located in Ankleshwar, Gujarat and one located in Sarigam, Gujarat. Our business is dependent on our ability to efficiently manage our manufacturing facilities and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing

operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such fiscal period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our manufacturing facilities and require us to incur additional expenditure to attempt to mitigate such disruption.

If any other industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents may result in a loss of property and/or disruption in our manufacturing operations entirely, levy of fines, penalties or compensation and/or adverse action against our employees, officers or management, which may have a material adverse effect on our business operations and financial performance. For example, in Fiscal 2022, there was a fire breakout in Unit III located at Sarigam, Gujarat which resulted in a loss on account of fire of ₹ 4.08 million and death of one of our employees. Our Company was made liable to pay a compensation of ₹ 1.46 million to the family of the deceased. Our Company made an insurance claim for the damages caused to the inventories which was subsequently paid.

Further, any significant malfunction or breakdown of our equipment or machinery, may involve significant repair and maintenance costs and cause delays in our operations. While there have been no such instances of breakdown or equipment failure or non-availability of adequate labour or disagreements with our workforce or lock-outs in the last three Fiscals and in the three months ended June 30, 2022, we cannot assure you that such instances may not happen in future.

In addition, we may be subject to manufacturing disruptions in case of any contravention by us of applicable regulatory approvals until such regulatory issues are resolved. For details regarding the closure directions received from GPCB in relation to our Unit I and Unit III, see “ - *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.*” on page 38. We may also be required to carry out planned shutdowns of our manufacturing facilities for maintenance, statutory inspections and testing, or shut down due to equipment upgrades.

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

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities such as registrations and licenses granted under the Factories Act, 1948; Industries (Development and Regulation) Act, 1951; Water (Prevention and Control of Pollution) Act, 1974; and Air (Prevention and Control of Pollution) Act, 1981; and Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. For further information on material approvals relating to our business and operations, see “*Government and Other Approvals*” on page 356. Please also see “*Key Regulations and Policies*” on page 200 for details of certain laws and regulations applicable to our business.

Several of these approvals are granted for a limited duration. These approvals expire from time to time and we are required to make applications for renewal of such approvals. Further, as on the date of this Draft Red Herring Prospectus, except as below, there are no material approvals. applied for, including renewal applications, that have not been received by our Company:

- Application dated December 7, 2022 made for permanent revocation of closure direction for Unit I to the Gujarat Pollution Control Board.
- Application dated October 10, 2022 made for permanent revocation of closure direction for Unit II to the Gujarat Pollution Control Board.
- Application made for renewal of recognition of in-house R&D unit located at Unit I to the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India.

- Application made for approval for storage of petroleum at Unit III to Petroleum & Explosives Safety Organisation (PESO), Ministry of Commerce & Industry, Government of India.
- Application dated December 21, 2022 for renewal of factory license for Unit I.

For further information, see “*Government and Other Approvals - Material approvals applied for, including renewal applications, but not received*” on page 357.

Further, approvals required by us are subject to numerous conditions, such as regularly monitoring emissions in the work environment, storage and labelling of goods and raw material and segregating and disposing off waste, scrape material, and boiler ash as per the guidelines laid down in the environmental clearance approval, and we cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or use of our products is restricted, then it could adversely affect our results of operations or growth prospects.

Our business is also subject to inspections under certain applicable laws including the Indian Boilers Act, 1923. We are also required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance, income tax and excise duty. While such undisputed dues are regularly deposited during the year with the appropriate authorities, there have been delays in this respect for non-payment of GST for Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, ESIC and provident fund for Fiscal 2021, respectively in the state of Gujarat and Maharashtra, we cannot assure you to that we will be able to pay our statutory dues timely, or at all, in the future. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

**6. *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.***

The Gujarat Pollution Control Board (“GPCB”) pursuant to a letter dated September 30, 2021 issued a closure notice (“**Unit III Closure Notice**”) directing our Company to, amongst others, stop manufacturing activities at Unit III with immediate effect. The Unit III Closure Notice was issued on account of, amongst others, the occurrence of a blast, which also resulted in one casualty and two injuries. Upon payment of a penalty of ₹ 5.40 million, and undertaking the necessary compliances by our Company, the closure notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated January 24, 2022. The Company made an application to the GPCB dated April 11, 2022 for the permanent revocation of the Unit III Closure Notice. Subsequently, the Unit III Closure Notice was permanently revoked by way of a revocation order dated September 3, 2022. While the Unit III Closure Notice has been permanently revoked, there can be no assurance that any such notices will not be issued to us in the future. We continued to undertake manufacturing operations at Unit III while the Unit III Closure Notice was in effect until the receipt of final revocation order. There can be no assurance that any penalty or action for continued operations will not be levied or initiated.

With respect to Unit I, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit I First Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 10.00 million. The Unit I First Closure Notice was issued on account of a fire caused by burning hazardous waste at Unit I. While the Unit I First Closure Notice was in effect, our Company continued its operations during Fiscal 2020 and Fiscal 2021. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit I First Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. Subsequently, the GPCB issued another closure notice dated September 9, 2021 directing us to, amongst others, prohibit manufacturing operations at Unit I, and also levied a penalty of ₹ 0.25 million (“**Unit I Second Closure Notice**”). The Unit I Second Closure Notice was issued on account of, amongst others, improper handling of waste material. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application made by our Company to GPCB on May 18, 2022, the Unit I First Closure Notice and Unit I Second Closure Notice were temporarily revoked by GPCB for a period of three months by way of a revocation order dated September 15, 2022. Following the expiry of the temporary revocation order, our Company has continued its manufacturing operations (including during the

periods wherein Unit I First Closure Notice and Unit I Second Closure Notice were in effect, and upon expiry of the three month period relaxed pursuant to the aforesaid revocation order). While we have made an application dated December 7, 2022 to GPCB for grant of permanent revocation in respect of Unit I First Closure Notice and Unit I Second Closure Notice, such application is currently pending. There can be no assurance that we will receive such a revocation, or if any such notices will not be issued to us in the future, and that any penalty or action for continued operations will not be levied or initiated.

With respect to Unit II, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit II Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 0.40 million. The Unit II Closure Notice was issued on account of, amongst others, improper handling of waste material. Upon undertaking necessary compliances, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit II Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. Following the expiry of the temporary revocation order, our Company continued its operations by undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. While we have made an application dated October 10, 2022 to GPCB for grant of permanent revocation in respect of Unit II Closure Notice, such application is currently pending. There can be no assurance that we will receive such revocation, or if any such similar notices will not be issued to us in the future, and that any penalty or action for continued operations will not be levied or initiated.

Further, there can be no assurance that the GPCB or any other regulatory or governmental authority will not impose any further penalty on our Company or take any other penal or civil or legal action relating to non-compliance with the closure orders/ notices. In the event any penalty is imposed on us, our revenue from operations, financial condition and cash flows may be adversely impacted.

There cannot be any assurance that we shall continue to be in compliance with the applicable regulatory requirements and provisions. If there is a similar failure by us to comply with the applicable regulations, 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, financial conditions or reputation.

**7. *We intend to further expand our operations through setting up a new manufacturing facility in the state of Maharashtra and such expansion will be subject to the risks of unanticipated delays in implementation and cost overruns.***

We intend to scale our annual capacity to manufacture products by establishing a new manufacturing facility in Mahad, Maharashtra. Towards this, we have acquired land with certain basic infrastructure spread across an area of 32,858 square meters and are in the process of applying for relevant government approvals. For further information, see “*Our Business – Manufacturing Facilities*” on page 190.

The construction of the proposed manufacturing facility at Mahad, Maharashtra, is subject to various regulatory approval and may encounter regulatory, personnel and other difficulties that could potentially delay construction and result in an increase in capital expenditure. These difficulties may relate to labour shortages, issues with procurement of equipment, increase in cost of equipment or manpower, as well as defects in design or construction of such proposed facility, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, increase in pre-operating expenses, taxes and duties, increase in interest and finance charges, working capital margin, environment and ecology costs and other factors beyond our control. There can be no assurance that the construction of the required infrastructure at the proposed new manufacturing facility at Mahad, Maharashtra will be completed in a timely manner, or within our budgeted capital expenditure and other costs. There can be no assurance that we will be able to fully utilize the new manufacturing facility.

In addition, we may not be able to achieve the intended economic benefits of such proposed new manufacturing facility, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

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

All our products and manufacturing processes are subject to stringent quality standards. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost, that may not be borne by the customer, which could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/ or litigation. Our Unit III located at Sarigam, Gujarat is ISO 9001:2015 compliant for its quality management system, and it also possesses a certification for good manufacturing practice.

Certain of our customers have also inspected our manufacturing facilities and manufacturing processes in the past, and may undertake similar inspections periodically in the future. These inspections play a critical role in customer retention, and any issues identified in such inspection and our failure to address such issues may result in loss of the relevant customer. Quality defects resulting from errors and omission may result in customers cancelling current or future orders resulting in damage to our reputation, loss of customers, which could adversely affect our business prospects and financial performance. While there have been certain instances of our products being returned by our customers in the past as the products did not meet the customers specifications, such instances did not have a material impact on our results of operations. There can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products could adversely affect our operations

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

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

We currently rely on imported raw materials for a portion of our raw material requirements. The table below sets forth details relating to cost of imported raw material as a percentage of our total raw materials purchased in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)
Cost of Raw Material Imported	718.29	57.90%	1,098.43	68.45%	794.19	46.40%	235.26	42.59%

The import of certain of our raw materials is regulated by the various regulatory requirements, including those under the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, as amended, which empowers the relevant authority to undertake any measures that it deems fit, particularly in relation to chemicals proposed to be imported that may result in industrial accidents. Such measures include denying approval for import of such chemicals. There can be no assurance such regulations will not become more stringent in the future, which could potentially restrict our ability to import raw materials from other jurisdictions.

Historically, we have depended significantly on import of our raw materials from China. The table below sets forth details relating to cost of raw material imported from China as a percentage of our total raw materials purchased in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:



Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)	Amount (₹ million)	Percentage of total Raw Materials Purchased(%)
Cost of Raw Material Imported from China	616.45	49.69%	939.61	58.55%	617.74	39.25%	230.84	41.79%

While raw materials we import from China and other jurisdictions are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for such raw materials or we will be able to source such raw materials at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing requisite raw materials, there can be no assurance that we will not experience any such challenges in the future.

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

In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, we exported our products outside India in over 18, 19, 20 and 13 countries, respectively. Our revenue from operations from export market and Deemed Exports have increased from ₹ 597.01 million and ₹ 222.38 million in Fiscal 2020, respectively, in aggregate representing 41.15% of our revenue from operations at a CAGR of 27.05% to ₹ 965.98 million and ₹ 356.62 million, respectively, in aggregate representing 42.43% of our revenue from operations in Fiscal 2022. Revenue from operations from export market and Deemed Exports were ₹ 350.63 million and ₹ 141.21 million, respectively, in the three months ended June 30, 2022 in aggregate representing 49.18% of our revenue from operations in such period.

The table below provides a geographic split of our revenue from operations from domestic sales, and export sales and Deemed Exports, respectively, in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Geography	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
<i>Domestic</i>								
India – Domestic	1,152.27	57.86%	1,411.24	51.36%	1,725.83	55.35%	498.16	49.80%
<b>Total (A)</b>	<b>1,152.27</b>	<b>57.86%</b>	<b>1,411.24</b>	<b>51.36%</b>	<b>1,725.83</b>	<b>55.35%</b>	<b>498.16</b>	<b>49.80%</b>
<i>Exports<sup>(1)</sup></i>								
North America <sup>(2)</sup>	171.79	8.63%	339.50	12.35%	423.03	13.57%	230.89	23.09%
Europe <sup>(3)</sup>	306.33	15.38%	478.90	17.43%	515.91	16.55%	98.50	9.85%
China	7.93	0.40%	0.32	0.01%	18.68	0.60%	1.20	0.12%
Rest of Asia <sup>(4)</sup>	110.95	5.57%	53.52	1.95%	8.36	0.27%	20.04	2.00%
<b>Total (B)</b>	<b>597.00</b>	<b>29.98%</b>	<b>872.24</b>	<b>31.74%</b>	<b>965.98</b>	<b>30.99%</b>	<b>350.63</b>	<b>35.06%</b>
<i>Deemed Exports<sup>(5)</sup> (C)</i>	222.38	11.17%	441.33	16.06%	356.62	11.44%	141.21	14.12%
<b>Total (D) (B+C)</b>	<b>819.38</b>	<b>41.15%</b>	<b>1,313.57</b>	<b>47.80%</b>	<b>1,322.60</b>	<b>42.43%</b>	<b>491.89</b>	<b>49.18%</b>
<b>Total E (A + D)</b>	<b>1,971.65</b>	<b>99.01%</b>	<b>2,724.81</b>	<b>99.16%</b>	<b>3,048.43</b>	<b>97.78%</b>	<b>989.99</b>	<b>98.98%</b>

<sup>(1)</sup> Export does not include Deemed Exports.

- (2) *North America includes United States of America and Mexico. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.*
- (3) *Europe includes Austria, Belgium, Switzerland, Czech Republic, England, France, Germany, Spain, Ireland, Italy, and Sweden. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.*
- (4) *Rest of Asia includes Japan, Malaysia, and United Arab Emirates (Dubai). The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.*
- (5) *Deemed Exports refers to sales to SEZ units, sales to export oriented units and high sea sales.*

While we intend to continue our focus on expanding our export sales, expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. We believe establishing a presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

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

Certain of our Company's corporate records are not traceable or have certain discrepancies, including typographical errors. Our Company's corporate records which are not traceable include:

- the share transfer form relating to the transfer on May 4, 2011 of 17,500 equity shares of our Company from Farookh Garda to Vijaykumar Raghunandanprasad Agrawal;
- the share transfer form relating to the transfer on May 31, 2011 of 15,500 equity shares from Pheroza Garda to Vijaykumar Raghunandanprasad Agrawal;
- the share transfer form relating to the transfer on October 25, 2012 of 37,500 equity shares from Jugalkishore Ruia, 80,000 equity shares from Manju Ruia and 2,500 equity shares from Jugalkishore Ruia HUF to Vijaykumar Raghunandanprasad Agrawal;
- the share transfer form relating to the transfer on October 25, 2012 of 45,000 equity shares from Prashant Ruia to Nimai Vijay Agrawal;
- the share transfer form relating to the transfer on November 4, 2019 of 30,000 equity shares from Ramendrakumar Dixit to Vijaykumar Raghunandanprasad Agrawal; and
- the share transfer form relating to the transfer on November 4, 2019 of 25,000 equity shares from Ramendrakumar Dixit to Nimai Vijay Agrawal.

Additionally, in the Form 2 filed with the Registrar of Companies in relation to the further issue undertaken by our Company on October 4, 2006, the number of equity shares allotted to Nimai Vijay Agrawal was inadvertently and erroneously stated as 100,000 equity shares while 95,000 equity shares were allotted and the number of equity shares allotted to Prabha Vijay Agrawal was inadvertently and erroneously stated as 40,000 equity shares while 35,900 equity shares were allotted. For further details, see "*Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company*" on page 90.

We have included these details in this Draft Red Herring Prospectus by way of other corporate records, such as the relevant board resolutions and the register of members, and corporate filings, of our Company.

Further, while our Company has obtained the environmental clearance for Unit I, we are unable to locate the original document issued by the GPCB in this regard. In addition, the degree certificate (being his bachelor's

degree in commerce from the University of Bombay), pertaining to the educational qualification of Vijaykumar Raghunandanprasad Agrawal, one of our Promoters, and Chairman and Whole-Time Director is not traceable. While he has taken the requisite steps to obtain the relevant supporting documentation, including by making a written application Mumbai University, he has not been able to procure the same. Accordingly, our Company has placed reliance on an affidavit furnished by him to us and the book running lead managers, and a copy of the correspondence with the relevant university, to disclose the details of his educational qualifications in this Draft Red Herring Prospectus. While our Company maintains appropriate diligence to prevent such instances, there can be no assurances that we will be able to trace the relevant documents in the future. While there has been no impact on our financial condition or any statutory or regulatory proceedings initiated in this regard as of the date of this Draft Red Herring Prospectus, we cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future, and that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

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

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

A summary of such outstanding criminal proceedings, taxation proceedings, actions taken by statutory and regulatory Authorities, and other material pending litigation as on the date of this Draft Red Herring Prospectus (as disclosed in the chapter "Outstanding Litigation and Other Material Developments" on page 352 in accordance with the SEBI ICDR Regulations and the Materiality Policy) is set out below:

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation <sup>#</sup>	Aggregate amount involved* (₹ in million)
<b>Company</b>						
By the Company	1	-	-	-	1	36.41
Against the Company	-	7	1	-	-	24.32
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	-	9	-	-	-	9.31
<b>Promoters</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	8	-	-	-	9.30

<sup>#</sup>In accordance with the Materiality Policy.

\* To the extent quantifiable.

In addition, there has been an instance in the past, where an FIR was filed against Nimai Vijay Agrawal one of our Promoters, wherein certain fraudulent activities in relation to the Cricket Club of India were alleged. This matter was subsequently discharged by the Additional Chief Metropolitan Magistrate, Mumbai by way of an order dated November 30, 2017 and is not outstanding as on date. Further, as on the date of this Draft Red Herring Prospectus, there are no litigations involving our Group Companies which may have a material impact on the business and operations of our Company..

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

**13. *One of our Joint Statutory Auditors and our Joint Statutory Auditors have included certain emphasis of matters in their auditors' report on our audited financial statements as at and for the year ended March 31, 2020, 2021 and 2022, respectively.***

One of our Joint Statutory Auditors and our Joint Statutory Auditors have included certain emphasis of matters in their auditors' report on our audited financial statements as at and for the year ended March 31, 2020, 2021 and 2022, respectively

***Fiscal 2020 and 2021***

- One of our Joint Statutory Auditors have drawn attention to a note in the special purpose Ind AS financial statements, which describes the purpose and basis of preparation of the special purpose Ind AS financial statements. Further the special purpose Ind AS financial statements have been prepared by the management of our Company and approved by our Board of Directors for preparing the Restated Financial Information to be included in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, and any addenda thereto prepared by our Company in connection with the Offer as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019), and were not suitable for other purposes. Those auditors' opinion was not modified in respect of this matter.
- One of our Joint Statutory Auditors have drawn attention to a note in the special purpose Ind AS financial statements which states that the special purpose Ind AS financial statements for the year ended March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act prepared by our Company in its response to SEBI directives. Those auditors have clarified that they shall not be liable to our Company or to any other party for any claims, liabilities or expenses in connection with the preparation stated above, and they do not accept or assume any liability or any duty of care for any other purpose or to any other person who may view the examination report without their prior consent in writing. Those auditors have consented to the report being submitted to any regulatory authority, and to the report being relied upon by other parties, including the Joint Statutory Auditors of our Company, in connection with the Offer. Those auditors' opinion was not modified in respect of this matter.

***Fiscal 2022***

The Joint Statutory Auditors have drawn attention to a note to the financial statements, regarding restatements made to right of use assets of ₹ 33.50 million, capital work in progress of ₹ (33.50) million, inventories of ₹ 17.16 million, provisions for employee benefits of ₹ 9.66 million, deferred tax liability of ₹ 2.18 million, with corresponding impact on reserves as at April 1, 2020 and right of use assets of ₹ 33.50 million, capital work in progress of ₹ (33.50) million, inventories of ₹ 11.01 million, provisions for employee benefits of ₹ 10.04 million, deferred tax liability of ₹ 0.24 million with corresponding impact on reserves March 31, 2021.

The opinion of our Joint Statutory Auditors is not modified in respect of the above matter. There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

**14. *Our Joint Statutory Auditors have included certain modifications in the annexure to their report on our audited financial statements for Fiscal 2022 as required under the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, as applicable.***

Our Joint Statutory Auditors have included the following modifications in the annexure to their report on our audited financial statements for Fiscal 2022 as required under the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, as applicable:

**As at and for the year ended March 31, 2022**

*Clause (ii) (b) of CARO 2020 Order*

Our Company has been sanctioned working capital limits in excess of ₹ 50.00 million in aggregate from bank during the year on the basis of security of current assets of our Company. Based on the records examined by our Joint Statutory Auditors in the normal course of audit of the financial statements, the quarterly returns/statements filed by our Company with such bank are not in agreement with the books of accounts of our Company and the details are as follows:

Area	Remarks	June 2021 Amount (₹ million)	September 2021 Amount (₹ million)	December 2021 Amount (₹ million)	March 2022 Amount (₹ million)	Reasons for difference
Trade Receivables	As per books	546.24	548.05	758.01	1,177.97	Payments adjusted in books post submission of returns/statement
Trade Receivables	As per returns	626.03	559.51	757.13	1,131.04	
Trade Payables	As per books	424.92	449.45	515.31	487.64	<ul style="list-style-type: none"> <li>• Payments adjusted in books post submission of returns/statement</li> <li>• Adjustment for advances to suppliers not done</li> </ul>
Trade Payables	As per returns	231.40	266.96	225.72	365.89	
Sales	As per books	257.93	244.21	278.27	569.89	Entries posted/adjustments made post submission to bankers
Sales	As per returns	283.41	265.79	314.93	611.01	
Purchases	As per books	133.05	102.21	122.79	234.69	Entries posted/adjustments made post submission to bankers
Purchases	As per returns	142.03	127.41	129.45	273.47	
Stock	As per books	354.40	375.10	268.41	401.86	Entries posted/adjustments made post submission to bankers
Stock	As per returns	339.16	467.74	428.72	350.14	

*Clause (vii) (a) of CARO 2020 Order*

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

*Clause (vii) (b) of CARO 2020 Order*

The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of statute	Nature of Dues	Amount (₹ million)	Period to which it pertains	Forum where dispute is pending
<i>The Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>14.14</i>	<i>Fiscal 2018</i>	<i>CIT Appeals</i>

There is no assurance that our auditors' reports for any future fiscal periods will not contain such modifications which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

**15. *Our manufacturing facilities and R&D laboratories are located in the states of Gujarat and Maharashtra. Any adverse development affecting Gujarat or Maharashtra or its surrounding areas may have an adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our three manufacturing facilities are located in state of Gujarat, in India. Further, out of the two R&D laboratory, while one is located at Ankleshwar, Gujarat, our second R&D laboratory is located at Bhiwandi, Maharashtra. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the relevant State or local governments in this region could adversely affect our manufacturing activities, result in modification of our business strategy, or require us to incur significant capital expenditure, or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss from an inability to meet customer orders and production schedules and could materially impact our business reputation. In addition, we also depend on availability of workers near manufacturing facilities for our manufacturing operations. While we have not in the past faced any disruption in manufacturing operations on basis of any shortages in manpower, there can be no assurance that we will not experience any such disruption in the future. The occurrence of, or our inability to effectively respond to, any such event, could have an adverse effect on our business prospects and financial performance. For details regarding past instances of closure directions issued by the GPCB prohibiting operation of certain of our manufacturing facilities, see “ - *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.* ” on page 38.

**16. *Our commercial success depends on the success of our customer's products with end consumers. If there is any decline in the demand for our customer's products, our revenue from operations, cash flows and profitability could be adversely affected.***

Our products are used across various industries including agrochemicals, pharmaceuticals, biotech, paints, and polymers, and have a variety of end-uses including x-ray films and rodenticide. (*Source: CRISIL Report*). For further information, see “*Our Business*” on page 174. In the event of quality issues in our customers' products that can ultimately be attributed to our products, we may face a number of consequences, including, lower demand for, and decreased sales of, the relevant products, leading to inventory write-offs, potential recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for our manufacturing facilities; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. While there have been certain instances of our products being rejected by our customers in the past as the products did not meet the customers specifications, such instances did not have a material impact on our results of operations. There can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products could adversely affect our operations.

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

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

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection including the Factories Act, 1948, Environmental Protection Act, 1986, as amended, the Air Prevention and Control of Pollution Act, 1981, the Water Prevention and Control of Pollution Act, 1974 the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Water (Prevention and Control of Pollution) Cess Act, 1977. 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. The occurrence of any of these events could have an adverse effect on our business, results of operations, cash flows and financial condition.

For details regarding past instances of closure directions issued by the GPCB prohibiting operation of certain of our manufacturing facilities, see “ - *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.* ” on page 38.

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

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. For further details on the laws and regulations applicable to us, see “*Key Regulations and Policies*” on page 200.

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

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances, and certain raw materials that we use in production that are highly corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances which results in high compliance costs and could potentially expose us to liability. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage, destruction of inventory of finished goods and/or raw materials and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any industrial accident, any shutdown of our manufacturing facilities or any environmental damage caused by our operations could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of raw materials which would, amongst others, increase the cost of our operations. For example, in Fiscal

2022, there was a fire breakout in Unit III located at Sarigam, Gujarat which resulted in a loss on account of fire of ₹ 4.08 million and death of one of our employees.

For details regarding past instances of closure directions issued by the GPCB prohibiting manufacturing activities in Unit I, Unit II and Unit III in light of the improper manner of disposal of hazardous waste, see “- *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.*” on page 38. We cannot assure you that such instances will not happen in future. Any of these occurrences may result in the shutdown of our manufacturing facilities and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

**19. *Our success depends on our ability to develop new products in a timely manner. If our R&D efforts do not succeed, the introduction of new products may be hindered, which could adversely affect our business, cash flows, growth and financial condition.***

Our success depends significantly on our ability to successfully develop and commercialize our products in a timely manner. The development and commercialization process is both time consuming and costly, and involves a high degree of business risk. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product, we may invest resources in developing products that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our financial condition, cash flows and results of operations. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, our CRAMs business is dependent on our R&D capabilities to assist our customers on their projects including development of their products. The development and commercialisation of new products (whether ours or our customers’ products) are complex, time-consuming, costly and involves a high degree of business risk. There were certain instances in the past where our R&D efforts did not yield to the desired results, however, such instances did not have any impact on our revenue from operations. We cannot assure you that our future or existing R&D efforts may successfully create new products or that we may not encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect. The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products.

As of June 30, 2022, our Company was in the process of developing six new products while three new products were in the pilot stage. Our products currently under development, if and when fully developed and tested, may not perform as we expect, and we may not be able to successfully and profitably produce and market such products. Even if we are successful in developing a new product, such product may become subject to litigation by other parties claiming that our product infringes on their patents or may be seized in transit by regulatory authorities for alleged infringement of third party intellectual property rights or may be otherwise unsuccessful in the market place due to the introduction of superior products by our competitors.

In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D in areas which we believe have significant growth potential. Our R&D operations are focused on developing new products and complex chemistries as well as improving the efficiency of our existing products. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities.

The table below sets forth details relating to our expenditure on research and development as a percentage of our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:



Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Expenditure on Research and Development	34.16	1.72%	44.07	1.60%	134.22	4.30%	104.10	10.41%

Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. While there have been no instances of failure of product success in the last three Fiscals and in the three months ended June 30, 2022, we cannot assure you that all the products that we develop will be successful which may impact our financial condition, revenue from operations and our cash flows.

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

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 101. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds in the manner specified in “*Objects of the Offer*” on page 101, the amount of Net Proceeds to be actually used will be based on our management’s discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

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

We propose to utilize the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 101. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

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

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to

any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, cash flows and results of operations.

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

The objects of the Offer include funding working capital requirements of our Company, which are based on management estimates and certain assumptions in relation to inter alia, the cost and holding periods of inventories of raw materials and finished goods, trade receivables and trade payables. For details, see “*Objects of the Offer*” on page 101. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

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

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

While we have experienced growth in operations and strong financial performance, however, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our revenue from operations increased from ₹ 1,991.46 million in Fiscal 2020 to ₹ 2,747.90 million in Fiscal 2021 and to ₹ 3,117.82 million in Fiscal 2022. Our revenue from operations was ₹ 1,000.20 million in the three months ended June 30, 2022. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. For further information, see “*Our Business – Strategies*” on page 185. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities and demands in the industry, develop products using our technologies and our ability to continue to research develop chemicals, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake complex chemistries. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

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

**25. *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, future cash flows and future financial performance.***

As on the date of this Draft Red Herring Prospectus, we operate three manufacturing facilities. In particular, the level of our capacity utilization can impact our operating results. Our product mix also affects capacity utilization of our manufacturing facilities, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin.

Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers and is subject to the thresholds prescribed under the consolidated consent and approval issued by the GPCB for our manufacturing facilities. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business prospects and financial performance. For details regarding past instances of closure directions issued by the GPCB prohibiting manufacturing activities in Unit I, Unit II and Unit III in light of the improper manner of disposal of hazardous waste, see “- *We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.*” on page 38.

Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows. For further information, see “*Our Business – Capacity and Capacity Utilization*” on page 191.

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

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

Particulars	As of March 31			As of June 30, 2022
	2020	2021	2022	
Inventory (₹ million)	147.22	193.07	401.86	513.51

Particulars	As of March 31			As of June 30, 2022
	2020	2021	2022	
Total Current Assets (₹ million)	1,168.23	1,501.38	2,273.25	2,501.06
Inventory as a percentage of Total Current Assets (%)	12.60%	12.86%	17.68%	20.53%
Total Assets (₹ million)	1,617.23	1,949.99	2,873.56	3,143.16
Total Current Liabilities (₹ million)	630.94	409.02	577.40	599.22
Inventory Turnover Ratio (number of times) <sup>(1)</sup>	18.41	16.01	10.25	2.16
Net Working Capital Days <sup>(2)</sup>	137.98	145.10	198.53	173.03
Net Capital Turnover Ratio (number of times) <sup>(3)</sup>	2.65	2.52	1.84	0.53

<sup>(1)</sup> Inventory Turnover Ratio is calculated as revenue from operations less export incentives divided by average inventory for the year/period. Average inventory is calculated as an average of inventory at the beginning of the year/ period and inventory at the end of the year/period.

<sup>(2)</sup> Net Working Capital Days is calculated as working capital requirement (being total current assets – total current liabilities) for the year/period divided by revenue from operations multiplied by number of days in a year / period.

<sup>(3)</sup> Net Capital Turnover Ratio is calculated as calculated as revenue from operations divided by working capital requirements (being total current assets – total current liabilities).

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

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

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

- Temporary closure of our offices and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work and business development activities.
- Disruptions of the services we receive from third-parties including our suppliers and transportation and logistics partners, due to limited and sporadic availability of raw materials, fluctuating and unpredictable demands, and disruptions in supply chain.
- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could

lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

Additionally, there can be no assurance that we will be able to successfully achieve our business plan or expansion strategies in the event of subsequent waves of COVID-19 pandemic or any other pandemic in India that lead to additional restrictive measures or hamper overall economic recovery. Even though we have taken various initiatives like temperature checks at the gates of our manufacturing facilities, spreading awareness of the disease, vaccination drives, and frequent sanitation of our manufacturing facilities, we cannot assure you that in the event of another COVID-19 wave additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of COVID-19. Further, our Company has considered external and internal information in assessing the impact of COVID-19 on various elements of its financial statements, including recoverability of its assets.

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

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

We develop, manufacture and sell a range of chemicals, which are primarily used as raw materials for products in end-use industries such as specialty chemicals, agrochemical and pharmaceutical industries. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. If our products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. We are also exposed to risks associated with product liability claims if the use of our products results in personal injury. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While there have been certain instances in the past where our products have been rejected by our customers, however, such instances were settled amicably with our customers and no liabilities were incurred on our Company for such instances. We cannot assure you that such instances will not happen in future.

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. Further, there may be instances where our Company is unable to meet the timelines for delivery of the products to its customer. Any such time overrun may result in termination of the arrangement, price negotiations and reputational harm, which may have an adverse impact on our business and financial position. Further, as on the date of this Draft Red Herring Prospectus, we do not have a product liability insurance policy. While we have not been subject to any material product liability claims in the last three Fiscals and in the three months ended June 30, 2022, any such future claim against us will adversely affect our effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

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

The industry in which we operate is working capital intensive in nature. We have historically financed our working capital requirements mainly through arrangements with banks. The table below provides details of our total financial indebtedness in the relevant periods:

Period	Amount (₹ million)
As of March 31, 2020	219.96
As of March 31, 2021	Nil
As of March 31, 2022	Nil
As of June 30, 2022	Nil

For further information on our borrowings, see “*Financial Indebtedness*” on page 350.

As we intend to pursue a strategy of continued investment in our development activities, we will incur additional expenditure in the current and future fiscal periods. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

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

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

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

We are susceptible to changes in interest rates and the risks arising therefrom. Also see “*Financial Indebtedness*” on page 350 for a description of interest payable under our financing agreements. Further, in recent years, the GoI has taken measures to control inflation, which included tightening the monetary policy by raising interest rates.

As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

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

We have foreign currency payables for procurement of certain raw materials and costs incurred during our export sales business operations and from our receivables, and other payables, and are therefore exposed to foreign exchange risk between the Indian Rupee, and U.S. dollars. While we hedge foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our net unrealised foreign exchange loss / (gain) of ₹ 5.98 million, ₹ (15.89) million, ₹ (23.75) million and ₹ (2.79) million representing 0.30%, (0.56)%, (0.74)% and (0.27)% of our total income, respectively.

Although India remains our largest market, our revenue from operations from export market and Deemed Exports have increased from ₹ 597.00 million and ₹ 222.38 million in Fiscal 2020, respectively, in aggregate representing 41.15% of our revenue from operations at a CAGR of 27.05% to ₹ 965.98 million and ₹ 356.62 million, respectively, in aggregate representing 42.43% of our revenue from operations in Fiscal 2022. Revenue from operations from export market and Deemed Exports were ₹ 350.63 million and ₹ 141.21 million, respectively, in the three months ended June 30, 2022 in aggregate representing 49.18% of our revenue from operations in such period. All of our foreign currency exposure was unhedged and as on the date of this Draft Red Herring Prospectus, we do not have a formal hedging policy. 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. We generally make provisions for our foreign currency exposure in accordance with our accounting policy. For further information, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Foreign Currency Fluctuation*” on page 314.

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

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, an industry report titled “*Assessment of the heterocyclic and fluoro-organic compounds industry*” dated December 23, 2022 (“**CRISIL Report**”) or extracts of the CRISIL Report, which is not related to our Company, Directors or Promoters. We exclusively commissioned and paid for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Potential investors should consult their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report.

For further details, including disclosures made by CRISIL Limited in connection with the preparation and presentation of their report, see “*Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation*” on page 19.

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

As a manufacturing business, our success also depends on the uninterrupted supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing

facilities to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road, air and sea. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We typically do not have formal contractual relationships with such logistic companies and freight forwarders. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our freight and handling charges were ₹ 24.33 million, ₹ 44.36 million, ₹ 72.19 million, and ₹ 23.45 million, representing 1.22%, 1.61%, 2.32% and 2.34% of our revenue from operations, respectively. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. While there have been no such material instances of delay in supply of our products or raw materials by such third-party logistics companies in the last three years and in the three months ended June 30, 2022, we cannot assure you that such material instances will not happen in future.

Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel cost, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**33. *Information relating to the installed manufacturing capacity and capacity utilization 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 manufacturing facilities and capacity utilisation included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management including the standard capacity calculation practice in the specialty chemical manufacturing industry, and the capacities of principal equipment, such as the boiler, and that of ancillary equipment used in the manufacture of our products. These assumptions and estimates include 365 working days in a year, at three shifts per day operating for 24 hours a day. While we have obtained a certificate dated December 28, 2022 from Chetan Kishore, Chartered Engineer (bearing registration number M-1746531) in relation to such annual installed capacity of our manufacturing facilities and capacity utilisation, future capacity utilisation may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilisation. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 191. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other comparable companies in the industry in which we operate.

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

Our performance depends largely on the efforts and abilities of our senior management including our Promoters and other Key Managerial Personnel. We believe that the inputs and experience of certain of our Promoters, our senior management and Key Managerial Personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations and our cash flows. For further details, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 210 and 227, respectively.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel, including our scientists, who have the necessary and required experience and expertise. Competition for



individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, any unauthorized disclosure of our production processes by our employees to any third party may have a material adverse impact on our business prospects. The attrition rate for our employees for Fiscal 2020, 2021 and 2022 and the three months ended June 30, 2022 were 7.04%, 6.87%, 6.60%, and 6.83%, respectively. Further, for details regarding change in our Key Managerial Personnel and Directors in the last three Fiscals, see “*Our Management – Changes in the Key Management Personnel in the last three years*” and “*Our Management – Changes to our Board in the last three years*” on pages 225 and 215, respectively. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

**35. *While we have registered our corporate logo as trademark, any inability to protect our intellectual property from third party infringement may adversely affect our business, cash flows, results of operations and prospects.***

As of the date of this Draft Red Herring Prospectus, our Company has one registered trademark in India under



Class 1, which is our corporate logo

We also have registered the domain name <http://www.survivaltechnologies.in/>, which is renewable periodically. We do not own any patents. For further information, see “*Our Business – Intellectual Property*” on page 197.

As we expand our activities, we are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging look and attempting to create counterfeit products. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. While the proprietary information and technical know-how associated with the R&D in relation to our CRAMS business rests with our Company, however, we cannot assure that our CRAMS business customers may not infringe such proprietary information. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may infringe on our rights, which may have an adverse effect on our business, results of operations and financial condition.

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

While we have not received any notice alleging infringement of any intellectual property in the past, however, in the event we inadvertently infringe intellectual property of others, we may be subject to legal action which 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 such 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.

**37. *We have certain contingent liabilities as per Ind AS 37 that have been disclosed in our financial statements, which if they materialise, may adversely affect our financial condition and cash flows.***

The following table below sets forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of June 30, 2022:

Particulars	Amount (₹ million)
Claims against our Company not acknowledged as debts	
- Tax matters in dispute under appeal	24.32

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

**38. *Our operations are labour intensive and 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 June 30, 2022, we had 215 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. As of June 30, 2022, we engaged 24 contract labour. 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. While we have not been subject to any wage payments on account of default of independent contractors in the last three Fiscals and in the three months period ended June 30, 2022, any requirement to fund their wage requirements in the future may have an adverse impact on our results of operations and our financial condition.

India has labour legislations that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. The GoI has introduced (a) the Code on Wages, 2019, as amended; (b) the Code on Social Security, 2020, as amended; (c) the Occupational Safety, Health and Working Conditions Code, 2020, as amended; and (d) the Industrial Relations Code, 2020, as amended. These new enactments, once implemented, are intended to consolidate, subsume and replace numerous existing central labour legislations. While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes have not been notified and we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse impact on us. Once these enactments are implemented, we may be required to incur additional expenditure to achieve compliance with such enactments For further details, see "*Key Regulations and Policies in India*" on page 200.

**39. *Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability, results of operations and cash flows.***

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

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

40. *Our manufacturing facilities are dependent on adequate and uninterrupted supply of electricity, and fuel. Any shortage or disruption in electricity, or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.*

Our production operations require adequate supply of electricity, and fuel, the shortage or non-availability of which may adversely affect our operations. The table below sets forth details relating to our expenses on power and fuel as a percentage of our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particulars	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Power and Fuel	26.79	1.35%	22.75	0.83%	12.92	0.41%	5.50	0.55%

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

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

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

42. *Our operational manufacturing facilities are located on land not owned by us and have been leased to us by third parties. In the event we lose or are unable to renew such leasehold rights, our business, financial condition, cash flows and results of operations may be adversely affected.*

All of our operational manufacturing facilities, are held by us on licensed basis. The table below provides leased details of our manufacturing facilities:

S. No.	Name and address of the manufacturing facilities	Owned / Leased	Term
1.	Unit I	Leased	99 years with effect from August 2, 2005

S. No.	Name and address of the manufacturing facilities	Owned / Leased	Term
	Address: Plot no. 9110/1, 9111/1, GIDC Ankleshwar, Bharuch, Gujarat		
2.	Unit II Address: Plot no. C-1/B-7003, GIDC Ankleshwar, Bharuch, Gujarat	Leased	99 years with effect from March 16, 2009
3.	Unit III Address: Plot No. 1013, 1015, 1017, 1114, 1116, 1118 & 1120, Opp. L.S Chemical, GIDC, Sarigam, Nargol Road, Gujarat	Leased	89 years with effect from April 21, 2016

For further information, see "Our Business - Properties" on page 198.

In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for our manufacturing facilities, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. If we are unable to renew the lease or the license or relocate on commercially suitable terms, it may have a material adverse effect on our business, cash flows, results of operation and financial condition.

**43. We currently avail benefits under certain Government incentive schemes. Any failure in meeting the obligations under such schemes may result in adversely affect our business operations, cash flows and our financial condition.**

We currently avail benefits under certain export incentives including duty drawback. The table below sets forth details relating to export incentives as a percentage of our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Export Incentives	19.81	0.99%	23.10	0.84%	69.39	2.23%	10.21	1.02%

We cannot assure you we will meet the criteria require to avail such benefit or that such benefits will not be reversed and we may be liable to even pay interest and penalties as applicable under the relevant scheme. Our industry sector may also be removed from entitlement of such benefits due to change in policy or regulations and new compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Cancellation of such schemes due to non-fulfilment of any of above conditions would make our Company less competitive against its competitors who have availed the benefits of this scheme by complying all conditions. While no export incentives that our Company currently avails have been withdrawn in the last three years and in the three months ended June 30, 2022, we cannot assure you that such incentives may not be withdrawn in future. As a result of these consequences, our business, financial condition and results of operations may be adversely affected.

**44. Technology failures could disrupt our operations and adversely affect our business operations, cash flows and financial performance.**

IT systems are critical to our ability to manage our production process, inventory management, customer management, financial management, data handling, and supply chain management and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations, from automated production to logistics and transport, invoicing, customer relationship management and decision support. For details, see "Our Business – Information Technology" on page 197.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies and, in some instances, loss of

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

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

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

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our manufacturing facilities or our Registered and Corporate Office. The table below sets forth details relating to aggregate coverage of the insurance policies as a percentage of the total insured assets in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Total Asset Value (₹ million)	Percentage of Insured Assets to Total Assets (%)	Total Asset Value (₹ million)	Percentage of Insured Assets to Total Assets (%)	Total Asset Value (₹ million)	Percentage of Insured Assets to Total Assets (%)	Total Asset Value (₹ million)	Percentage of Insured Assets to Total Assets (%)
Coverage of Insurance Policies	1,617.23	24.07%	1,949.99	22.15%	2,873.56	23.47%	3,143.20	26.71%

In Fiscal 2022, our Company made claims under workmen compensation and marine insurance, respectively which was fully recovered under our insurance policies.

We do not presently maintain insurance for business interruption in India, directors and officer’s liability insurance policy and insurance policy with respect to building, plant and machinery for Unit II. While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by the insurance policies, which we have not ascertained as on the date. Therefore, we cannot assure you that we will continue to accurately ascertain and maintain adequate insurance policies for losses that may be incurred in the future. Further, we cannot assure you that any insurance claim made by us in the future will honoured fully, in part or on time. For further information on the insurance policies availed by us, see “*Our Business - Insurance*” on page 197.

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

Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition.

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

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

From time to time, we, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected. While there have been no such instances of negative publicity against us in the last three Fiscals and in the three months ended June 30, 2022, we cannot assure you that such instances will not happen in future.

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

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale. Other than the listing fees (which shall be borne by our Company), the Offer related expenses shall be shared amongst our Company and the Selling Shareholders in the proportion with the amount pertaining to Fresh Issue and Offer for Sale in the Offer in accordance with applicable law. In case our Company withdraws the Offer in the future, the said expenses shall be shared between the Selling Shareholders and our Company in proportion with the respective amount proposed to be raised.

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

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

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

We are required to keep confidential certain details of our customers. In the event of any breach or alleged breach of our confidentiality arrangements with our customers, these customers may initiate litigation against us for breach of confidentiality obligations. Moreover, if our customers' confidential information is misappropriated by us or our employees, our customers may seek damages and compensation from us. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a

material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost. While there have been no instances of assertions of misappropriation of confidential information or intellectual property of our customers against us in the last three years and in the three months ended June 30, 2022, we cannot assure you that any such assertions may not be made against us going forward which may cause us to incur reputational harm.

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

The Selling Shareholders' (including our Promoters) average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the Price Band as may be decided by the Company and the Selling Shareholders, in consultation with the BRLMs.

The details of the average cost of acquisition of Equity Shares held by the Promoters (also the Selling Shareholders) and Selling Shareholder are set out below:

S. No.	Name of the Promoters (as well as Selling Shareholders)	Number of Equity Shares	Average cost of acquisition per Equity Shares*
1.	Vijaykumar Raghunandanprasad Agrawal	58,629,750	0.75
2.	Nimai Vijay Agrawal	22,875,000	0.82

\* As certified by Lodha & Co., Chartered Accountants, by way of their certificate dated December 28, 2022.

S. No.	Name of the Selling Shareholder	Number of Equity Shares	Average cost of acquisition per Equity Shares*
1.	Prabha Vijay Agarwal	4,650,000	0.95

\* As certified by Lodha & Co., Chartered Accountants, by way of their certificate dated December 28, 2022.

For further details regarding average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, see "Capital Structure" on page 90.

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

While our Company has a formal dividend policy and has paid dividends in the past, any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, have profits to pay dividends to our Company's shareholders in future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends at any point in the future. For details pertaining to dividend declared by our Company in the past, see "Dividend Policy" on page 232.

**53. Our Promoters and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration and reimbursement of expenses.**

Our Promoters and Directors are interested in our Company, in addition to normal remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or their relatives' holding in our Company. Further, other than as disclosed in "Summary of Offer Document – Related Party Transactions" and "Other Financial Information - Related Party Transactions" on pages 30 and 306, respectively, there are no other transactions entered into by our Company with our Promoters, and Directors. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. For further information on the interest of our

Directors, and Promoters, other than reimbursement of expenses incurred or normal remuneration or benefits, see “Our Management – Interest of Directors”, and “Our Promoters and Promoter Group - Interests of Promoters” on pages 214, and 227, respectively.

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to directors, key managerial personnel, professional fees, rent expense, sale of goods and services, purchase of goods and donations. While all such transactions have been conducted on an arm’s length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that such transactions in future, individually or in aggregate, will not have an adverse effect on our business, financial condition and results of operations. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The table below provides details of our arithmetic aggregated absolute total of related party transactions and the percentage of such related party transactions to our revenue from operations in in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022	Three months ended June 30, 2022
	<i>(₹ million, except percentages)</i>			
Arithmetic aggregated absolute total of related party transactions	92.08	249.38	313.36	229.56
Revenue from Operations	1,991.46	2,747.90	3,117.82	1,000.20
Arithmetic aggregated absolute total of related party transactions as a percentage of revenue from operations (%)	4.62%	9.08%	10.04%	22.95%

For further details, see “Summary of the Offer Document - Summary of related party transactions” on page 30.

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

As of the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group hold 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our Promoters and members of our Promoter Group will continue to hold majority of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Shareholders for approval. After this Offer, our Promoters and members of our Promoter Group will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to control the composition of our Board, delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us. The interests of our Promoters and members of our Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and members of our Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares.



**56. *Our Promoters, and Directors and Group Companies have interests in certain companies, which are in businesses similar to ours and this may result in potential conflict of interest with us.***

There are, and may be, certain transactions between our Company and our Promoters or Group Companies, in the ordinary course of business and at arms' length price. However, a potential conflict of interest may occur between our Promoters, Directors and Group Companies as they may have interest in companies in the similar line of business as our Company. For example, our Group Companies, Spectrochem Private Limited, Sisco Research Laboratories Private Limited and Rudra Speciality Chem Private Limited are engaged in similar business such as trading of fine and speciality chemicals, manufacturing reagents and biochemicals in India, and manufacturing solvents, organic and fine chemicals. In addition, our Promoters, Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal and our whole-time director Prabha Vijay Agarwal are also directors in Rudra Speciality Chem Private Limited while our whole-time director Prabha Vijay Agarwal and our Promoter Vijaykumar Raghunandanprasad Agrawal are also directors in Agarwal Chemical Agencies Private Limited. For further details, please see the sections entitled "*Our Management – Interests of Directors*" and "*Our Promoter and Promoter Group – Interests of Promoters*" on pages, 214 and 227, respectively. Our Promoters, Directors, their related entities and our Group Companies may compete with us and have no obligation to direct any opportunities to us. We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

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

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of online travel businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information. These are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance are not measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP financial measures and such other industry related statistical and other information are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible and these may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies and has limited usefulness as a comparative measure. For further information, see "*Other Financial Information – Non-GAAP Measures*" on page 303.

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

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and

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

## **External Risk Factors**

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

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

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

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

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

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

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

**62. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements, results of operations and cash flows.**

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the component industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. For details on the laws applicable to us, please see “*Key Regulations and Policies in India*” on page 200.

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

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

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

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

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

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. 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.

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

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

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

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

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

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

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

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

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

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

***Risks Relating to the Equity Shares and this Offer***

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

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

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

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

**67. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our results of operations and cash flows.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign

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

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

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

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

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

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

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

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

**71. *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.

Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 206.

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

Our Restated Financial Information for Fiscal 2020, 2021 and 2022 and for the three months ended June 30 2022, have been derived from the: (i) audited interim Ind AS financial statements of our Company as at and for the three months ended June 30, 2022 prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” 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; (ii) audited Ind AS financial statements of our Company as at and for the years ended March 31, 2022 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India; and (iii) audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2021 and March 31, 2020. The special purpose Ind AS financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP (values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed, as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30, 2022. The aforementioned financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. 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 Red Herring Prospectus should be limited accordingly.

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for the Offer Price*” on page 110 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 370. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

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

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

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

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

The U.S. “Foreign Account Tax Compliance Act” (or “**FATCA**”) imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain “foreign passthru payments” made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial



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

## SECTION IV – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer of Equity Shares<sup>(1)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹10,000.00 million
<i>of which:</i>	
(i) Fresh Issue <sup>(1) ^</sup>	Up to [●] Equity Shares, aggregating up to ₹ 2,000.00 million
(ii) Offer for Sale <sup>(2)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 8,000.00 million
<b>The Offer comprises of:</b>	
<b>A) QIB Portion <sup>(3)(4)</sup></b>	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
<b>B) Non-Institutional Portion <sup>(5)(6)</sup></b>	Not less than [●] Equity Shares
<i>of which:</i>	
(i) One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹ 0.2 million to ₹ 1 million	Up to [●] Equity Shares
(ii) Two-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹ 1 million	Up to [●] Equity Shares
<b>C) Retail Portion <sup>(5)</sup></b>	Not less than [●] Equity Shares
<b>Pre- and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	86,250,000 Equity Shares
Equity Shares outstanding after the Offer	Up to [●] Equity Shares
<b>Use of Net Proceeds</b>	See “ <i>Objects of the Offer</i> ” on page 101 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

**Notes:**

- <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 complying with Rule 19(2)(b) of the SCRR.
- (1) The Offer has been authorized by a resolution of our Board dated December 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 17, 2022. The Offer shall be made in accordance with Rule 19(2)(b) of the SCRR.
  - (2) Each of the Selling Shareholder, severally and not jointly, confirms that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholder has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 359.
  - (3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 386.
  - (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 subject to applicable law. In the event of under-subscription in the Offer, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Fresh Issue. If there remains any balance valid Bids in the Offer, the Allotment for the balance

valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder.

- (5) Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 386.
- (6) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

For details, including in relation to grounds for rejection of Bids, refer to "Offer Structure" and "Offer Procedure" on pages 383 and 386, respectively. For details of the terms of the Offer, see "Terms of the Offer" on page 376.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Information. The restated financial information presented below may differ in certain significant respects from financial statements prepared in accordance with generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with “Restated Financial Information”, including the notes and annexures thereto, on page 233 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 308.

### Summary balance sheet

(₹ in million)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Non-Current Assets</b>				
Property, Plant and Equipment	356.03	292.66	238.92	242.21
Right of Use Assets	88.41	88.83	54.41	58.79
Capital work-in-progress	42.01	86.38	70.12	70.12
Investment Property	46.31	46.31	43.85	43.85
Intangible Assets	0.23	0.24	0.39	0.64
<b>Financial Assets</b>				
Investments	17.30	15.12	10.07	9.88
Other Financial Assets	16.58	21.82	18.02	12.27
Deferred Tax Assets (Net)	13.59	12.47	-	-
Other Non-current assets	61.64	36.48	12.83	11.24
<b>Total Non-Current Assets</b>	<b>642.10</b>	<b>600.31</b>	<b>448.61</b>	<b>449.00</b>
<b>Current Assets</b>				
Inventories	513.51	401.86	193.07	147.22
<b>Financial Assets</b>				
Investments	294.22	328.84	115.48	66.28
Trade Receivables	1338.70	1198.94	759.22	810.60
Cash and Cash Equivalents	80.27	85.68	73.06	11.60
Other Balances with Banks	102.88	96.00	229.72	19.07
Other Financial Assets	55.15	46.89	4.93	7.43
Other Current Assets	116.33	115.04	125.90	106.03
<b>Total Current Assets</b>	<b>2501.06</b>	<b>2,273.25</b>	<b>1,501.38</b>	<b>1,168.23</b>
<b>Total Assets</b>	<b>3143.16</b>	<b>2,873.56</b>	<b>1,949.99</b>	<b>1,617.23</b>
<b>EQUITY</b>				
Equity Share Capital	57.50	57.50	57.50	57.50
Other Equity	2445.33	2195.72	1466.71	905.45
<b>Total Equity</b>	<b>2502.83</b>	<b>2253.22</b>	<b>1524.21</b>	<b>962.95</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	-	-	-	4.44
Lease Liabilities	30.03	30.38	1.10	3.50
Provisions	11.08	12.56	12.02	9.16
Deferred Tax Liabilities (Net)	-	-	3.64	6.24
<b>Total Non-Current Liabilities</b>	<b>41.11</b>	<b>42.94</b>	<b>16.76</b>	<b>23.34</b>
<b>Current Liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	-	-	-	215.52
Trade Payables	468.46	506.83	321.46	315.65
Lease Liabilities	9.72	10.21	2.39	4.45
Other Financial Liabilities	52.44	39.42	33.88	21.78

(₹ in million)

Particulars	As at			
	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Other Current Liabilities	14.43	19.29	32.23	13.10
Provisions	4.64	1.64	0.62	0.50
Current Tax Liabilities (Net)	49.53	0.01	18.44	59.94
<b>Total Current Liabilities</b>	<b>599.22</b>	<b>577.40</b>	<b>409.02</b>	<b>630.94</b>
<b>Total Liabilities</b>	<b>640.33</b>	<b>620.34</b>	<b>425.78</b>	<b>654.28</b>
<b>Total Equities and Liabilities</b>	<b>3143.16</b>	<b>2,873.56</b>	<b>1,949.99</b>	<b>1,617.23</b>

## Summary profit and loss

(₹ in million)

Particulars	For the three months period ended June 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Revenue from Operations	1,000.20	3,117.82	2,747.90	1,991.46
Other Income	34.86	98.91	95.65	10.49
<b>Total Income</b>	<b>1,035.06</b>	<b>3,216.73</b>	<b>2,843.55</b>	<b>2,001.95</b>
<b>Expenses</b>				
Cost of Materials Consumed	437.22	1,582.49	1,545.78	1,202.44
Purchase of Traded Goods	11.60	-	-	-
Changes in inventories of finished goods and work-in-progress	3.55	(79.63)	13.20	(42.26)
Employee Benefits Expense	60.02	234.33	169.44	146.40
Finance Costs	1.82	5.41	9.96	23.38
Depreciation and Amortisation Expense	13.51	42.07	37.12	42.16
Other Expenses	159.16	461.61	322.99	335.82
<b>Total Expenses</b>	<b>686.88</b>	<b>2,246.28</b>	<b>2,098.49</b>	<b>1,707.94</b>
<b>Profit before tax</b>	<b>348.18</b>	<b>970.45</b>	<b>745.06</b>	<b>294.01</b>
Tax Expense:				
(1) Current Tax	100.51	251.03	183.80	95.19
(2) Deferred Tax	(1.12)	(16.15)	(1.94)	8.29
(3) Current taxes relating to earlier years	-	0.95	-	(0.01)
<b>Profit for the period/year</b>	<b>248.79</b>	<b>734.62</b>	<b>563.20</b>	<b>190.54</b>
<b>Other Comprehensive Income (OCI) - Items that will not be reclassified to Profit or Loss</b>				
Remeasurement of defined benefit plans	1.09	0.18	(2.59)	(1.61)
Income tax (expense) / benefit related to items that will not be reclassified to Profit and loss	(0.27)	(0.04)	0.65	0.47
<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>0.82</b>	<b>0.14</b>	<b>(1.94)</b>	<b>(1.14)</b>
<b>Total Comprehensive Income for the Period</b>	<b>249.61</b>	<b>734.76</b>	<b>561.26</b>	<b>189.40</b>

## Summary cash flow

(₹ in million)

Particulars	For the three months period ended June 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
A) Cash flow from operating activities:				
Net profit before tax	348.18	970.45	745.06	294.00
Adjustment to reconcile profit before tax to net cash flows				
Depreciation and Amortisation Expense	13.51	42.07	37.12	42.16
Net Loss / (gain) on sale of investments measured at fair value through Profit or Loss	(1.58)	(72.83)	(20.25)	12.71
Net loss / (gain) arising on Investments measured at fair value through Profit or Loss	40.32	41.06	(41.09)	17.46
(Profit)/Loss on Sale of property, plant and equipment	-	(0.02)	(0.26)	(0.73)
Loss on account of Fire	-	4.08	-	-
Dividend Income	(0.42)	(4.10)	(1.42)	(0.83)
Provision for Employee Benefits	0.21	2.89	(0.56)	(0.30)
Interest received	(1.63)	(7.13)	(2.37)	(2.11)
Provision for Expected Credit Losses	1.80	1.83	-	0.45
Bad Debts	0.03	6.08	15.03	35.83
Liabilities no longer required to be written back	(11.95)	-	-	-
Net unrealised foreign exchange loss/ (gain)	(2.79)	(23.75)	(15.89)	5.98
Interest expenses	1.52	5.41	9.96	23.38
<b>Operating profit before working capital changes</b>	<b>387.20</b>	<b>966.04</b>	<b>725.33</b>	<b>428.00</b>
<b>Adjustment for</b>				
Decrease/ (Increase) in other financial assets	(3.02)	(46.98)	(2.75)	(6.10)
Decrease/ (Increase) in non current assets	(0.79)	0.26	(2.11)	(7.05)
Decrease/ (Increase) in trade receivables	(122.82)	(448.95)	39.32	(122.82)
Decrease/(Increase) in other current assets	(1.29)	11.88	(19.33)	(52.91)
Decrease/(Increase) in inventories	(111.65)	(208.79)	(45.85)	(80.29)
(Decrease)/Increase in trade payables	(45.00)	180.16	5.92	(21.02)
(Decrease)/Increase in other financial liabilities	13.02	5.53	12.10	1.41
(Decrease)/ increase in other current liabilities	(2.47)	(12.94)	19.13	8.52
(Decrease)/ increase in provisions	1.14	(1.08)	(59.03)	27.65
<b>Cash generated from operations</b>	<b>114.32</b>	<b>445.13</b>	<b>672.73</b>	<b>175.39</b>
Direct taxes paid (net)	(50.00)	(270.46)	(165.35)	(95.19)
<b>Net cash generated from operating activities</b>	<b>64.32</b>	<b>174.67</b>	<b>507.38</b>	<b>80.21</b>
<b>Cash Used in investing activities</b>				
Purchase of property, plant and equipment and Intangible assets	(54.91)	(132.53)	(29.29)	(10.93)
Proceeds from sale of property, plant and equipment	-	-	0.35	0.24
Purchase of Investment Property	-	(2.46)	-	-
Sale (Purchase) of Investments (Net)	(6.30)	(186.63)	11.94	(10.34)
(Increase)/ Decrease in Term Deposits (Net)	(6.88)	133.72	(210.65)	3.28
Dividend Received	0.42	4.10	1.42	0.83
Interest received	1.63	6.49	1.87	1.68
<b>Net Cash used in investing activities</b>	<b>(66.04)</b>	<b>(177.31)</b>	<b>(224.36)</b>	<b>(15.24)</b>
<b>Cash Used in financing activities</b>				
Repayment of Long term Borrowings	-	-	(4.44)	(27.32)
Increase / (Decrease) in Short-term borrowings	-	-	(215.52)	5.14
Principal Payment of Lease Liabilities	(2.39)	(3.87)	(4.45)	(3.94)
Interest on Lease Liabilities	(0.93)	(4.00)	(0.72)	-
Dividend Paid	-	(5.75)	-	-
Interest paid	(0.59)	(1.41)	(9.25)	(23.38)
<b>Net Cash used in financing activities</b>	<b>(3.91)</b>	<b>(15.03)</b>	<b>(234.37)</b>	<b>(49.50)</b>
<b>Net Increase in cash and cash equivalent ( A+B+C)</b>	<b>(5.63)</b>	<b>(17.67)</b>	<b>48.65</b>	<b>15.47</b>
<b>Cash and Cash equivalents</b>				
At the beginning of the year / period	<b>85.68</b>	<b>73.06</b>	<b>11.60</b>	<b>1.87</b>
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	<b>0.22</b>	<b>30.29</b>	<b>12.81</b>	<b>(5.74)</b>
At the end of year / period	<b>80.27</b>	<b>85.68</b>	<b>73.06</b>	<b>11.61</b>

## GENERAL INFORMATION

Our Company was incorporated in Mumbai, Maharashtra, as ‘Survival Technologies Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 27, 2005, issued by the RoC. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 8, 2022, and consequently, the name of our Company was changed to ‘Survival Technologies Limited’, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 13, 2022, was issued by the RoC to our Company.

For further details on the changes in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 206.

### Registered and Corporate Office of our Company

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

#### Survival Technologies Limited

1401-A, Naman Midtown, 14<sup>th</sup> Floor  
Senapati Bapat Marg, Elphinstone Road  
Prabhadevi West, Mumbai – 400 013  
Maharashtra, India

**Telephone:** +91 22 6190 2000

**Website:** www.survivaltechnologies.in

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	154265
Corporate Identity Number	U74999MH2005PLC154265

### The Registrar of Companies

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

#### Registrar of Companies, Maharashtra at Mumbai

100, Everest, Marine Drive  
Mumbai 400 002  
Maharashtra, India

### Board of Directors

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

Name	DIN	Address
<b>Vijaykumar Raghunandanprasad Agrawal</b> <i>Chairman and Whole-time Director</i>	01710632	23, Ahoora Mahal 6 <sup>th</sup> Floor, 93 Marine Drive G Road, Mumbai – 400002 Maharashtra, India
<b>Nimai Vijay Agrawal</b> <i>Managing Director and Chief Executive Officer</i>	01501234	23, Ahoora Mahal 6 <sup>th</sup> Floor, 93 Marine Drive G Road, Mumbai – 400002 Maharashtra, India
<b>Prabha Vijay Agarwal</b> <i>Whole-time Director</i>	01793823	23, Ahoora Mahal 6 <sup>th</sup> Floor, 93 Marine Drive G Road, Mumbai – 400002 Maharashtra, India
<b>Dr. Ganapati Dadasaheb Yadav</b> <i>Independent Director</i>	02235661	Flat No. 1201, A Wing, Plot No. 11, 12, 13, Palm Springs CHSL, Sector 7, Airoli, Thane, Navi Mumbai – 400708 Maharashtra, India
<b>Ruchi Shrinath Pandya</b> <i>Independent Director</i>	09718368	601 Tulip CHS, S.V. Road, Santacruz West, Mumbai – 400054 Maharashtra, India
<b>Adesh Kumar Gupta</b> <i>Independent Director</i>	00020403	701 Tagore Avenue, Tagore Road, Santacruz West, Mumbai – 400 054 Maharashtra, India

For further details of our Board of Directors, see “*Our Management – Board of Directors*” on page 210.



## **Company Secretary and Compliance Officer**

Reena Shivram Yadav is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

### **Reena Shivram Yadav**

1401-A, Naman Midtown, 14<sup>th</sup> Floor  
Senapati Bapat Marg, Elphinstone Road  
Prabhadevi West, Mumbai – 400 013  
Maharashtra, India

**Telephone:** +91 +91 22 6190 2000

**Email:** investors@survivaltechnologies.in

## **Investor Grievances**

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

## **Registrar to the Offer**

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

C-101, 1<sup>st</sup> Floor, 247 Park  
L.B.S. Marg, Vikhroli West  
Mumbai 400 083  
Maharashtra, India

**Telephone:** + 91 810 811 4949

**Email:** survival.ipo@linkintime.co.in

**Investor grievance email:** survival.ipo@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Shanti Gopalkrishnan

**SEBI Registration No:** INR000004058

## **Book Running Lead Managers**

**JM Financial Limited**

**ICICI Securities Limited**

7<sup>th</sup> Floor, Cnergy  
 Appasaheb Marathe Marg, Prabhadevi  
 Mumbai 400 025  
 Maharashtra, India  
**Telephone:** + 91 22 6630 3030  
**Email:** survivaltechnologies.ipo@jmfl.com  
**Investor grievance email:**  
 grievance.ibd@jmfl.com  
**Website:** www.jmfl.com  
**Contact person:** Prachee Dhuri  
**SEBI Registration No:** INM000010361

ICICI Venture House  
 Appasaheb Marathe Marg  
 Prabhadevi, Mumbai 400 025  
 Maharashtra, India  
**Telephone:** +91 22 6807 7100  
**Email:** survival.ipo@icicisecurities.com  
**Investor grievance email:**  
 customercare@icicisecurities.com  
**Website:** www.icicisecurities.com  
**Contact Person:** Gaurav Mittal / Shekhar Asnani  
**SEBI Registration No:** INM000011179

## Syndicate Members

[•]

## Statement of responsibilities

JM Financial and I-Sec are the BRLMs to the Offer. The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	JM Financial, I-Sec	JM Financial
2.	Drafting and approval of statutory advertisements	JM Financial, I-Sec	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	JM Financial, I-Sec	I-Sec
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	JM Financial, I-Sec	JM Financial
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	JM Financial, I-Sec	I-Sec
6.	Preparation of road show marketing presentation and frequently asked questions	JM Financial, I-Sec	I-Sec
7.	International Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Institutional marketing strategy;</li> <li>• Finalizing the list and division of international investors for one-to-one meetings; and</li> <li>• Finalizing international road show and investor meeting schedule</li> </ul>	JM Financial, I-Sec	I-Sec
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Institutional marketing strategy;</li> <li>• Finalizing the list and division of domestic investors for one-to-one meetings; and</li> </ul>	JM Financial, I-Sec	JM Financial

S. No.	Activity	Responsibility	Co-ordinator
	<ul style="list-style-type: none"> <li>Finalising domestic road show and investor meeting schedule.</li> </ul>		
9.	Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget;</li> <li>Finalizing media, marketing and public relations strategy;</li> <li>Finalizing centres for holding conferences for brokers, etc.;</li> <li>Finalizing collection centres;</li> <li>Arranging for selection of underwriters and underwriting agreement; and</li> <li>Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material.</li> </ul>	JM Financial, I-Sec	JM Financial
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalizing media, marketing and public relations strategy; and</li> <li>Finalizing centres for holding conferences for brokers, etc.</li> </ul>	JM Financial, I-Sec	I-Sec
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	JM Financial, I-Sec	JM Financial
12.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation and coordination with stock exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to DSE.	JM Financial, I-Sec	I-Sec
13.	<p>Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, unblocking of application monies, intimation of allocation and dispatch of refund to bidders, etc.</p> <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.</p> <p>Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Offer reports including the Initial and final Post Offer report to SEBI.</p>	JM Financial, I-Sec	I-Sec

### **Legal Counsel to our Company as to Indian Law**

#### **Khaitan & Co**

Max Towers  
7<sup>th</sup> & 8<sup>th</sup> Floors  
Sector 16B Noida  
Gautam Buddha Nagar 201 301  
Uttar Pradesh, India  
**Telephone:** +91 120 479 1000

### **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

### **Legal Counsel to the BRLMs as to Indian law**

#### **Trilegal**

One World Centre  
10<sup>th</sup> Floor, Tower 2A & 2B,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai – 400 013  
Maharashtra, India  
**Telephone:** +91 22 4079 1000

### **International Legal Counsel to the BRLMs**

#### **Hogan Lovells Lee & Lee**

50 Collyer Quay  
#10-01 OUE Bayfront  
Singapore 049 321  
**Telephone:** +65 6538 0900

### **Advisor to the Offer**

#### **Bagaria & Company Private Limited**

701 Stanford, S V Road  
Andheri West, Mumbai – 400058  
Maharashtra India  
**Telephone:** +91 22 62505600  
**Email:** roc@bagariaco.com

### **Joint Statutory Auditors to our Company**

#### **SRBC & CO LLP**

12<sup>th</sup> Floor, The Ruby  
29 Senapati Bapat Marg, Dadar (West)  
Mumbai – 400 028, Maharashtra, India  
**Email:** srbc.co@srb.in  
**Telephone:** +91 22 6192 0000  
**Firm registration number:** 324982E/E300003  
**Peer review certificate number:** 012054

#### **Lodha & Co**

6, Karim Chambers, 40 A  
Doshi Marg (Hamam Street), Mumbai – 400 001  
Maharashtra, India  
**Email:** mumbai@lodhaco.com  
**Telephone:** +91 22 2269 1414  
**Firm registration number:** 301051E  
**Peer review certificate number:** 012976

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

<b>Name of statutory auditor</b>	<b>Date of change</b>	<b>Reason</b>
<b>SRBC &amp; Co LLP, Chartered Accountants</b> 12 <sup>th</sup> Floor, The Ruby 29 Senpati Bapat Marg, Dadar West Mumbai – 400 028, Maharashtra, India <b>Email:</b> srbc.co@srb.in <b>Telephone:</b> +91 22 6819 8000 <b>Firm registration number:</b> 324982E/E300003 <b>Peer review number:</b> 102054  <b>Lodha &amp; Co</b> 6, Karim Chambers, 40 A, Doshi Marg Hamam Street, Mumbai – 400 001 Maharashtra, India <b>Email:</b> mumbai@lodhaco.com <b>Telephone:</b> +91 22 2269 1414 <b>Firm registration number:</b> 301051E <b>Peer review certificate number:</b> 012976	January 24, 2022	Appointment as joint statutory auditors of the Company
<b>SRBC &amp; Co LLP, Chartered Accountants</b> 12 <sup>th</sup> Floor, The Ruby 29 Senpati Bapat Marg, Dadar West Mumbai – 400 028, Maharashtra, India <b>Email:</b> srbc.co@srb.in <b>Telephone:</b> +91 22 6819 8000 <b>Firm registration number:</b> 324982E/E300003 <b>Peer review number:</b> 102054	January 22, 2022	Appointment as statutory auditors of the Company
<b>S. K. Bhageria &amp; Associates, Chartered Accountants</b> 1124, Hubtown Solaris, N.S. Phadke Marg Near Regency Hotel, Andheri I Mumbai – 400 069, Maharashtra, India <b>Email:</b> skbhageria@gmail.com <b>Telephone:</b> +91 22 2684 9400 <b>Firm registration number:</b> 112882W <b>Peer review certificate number:</b> 011065*	January 22, 2022	Resignation as statutory auditor of our Company due to pandemic and pre-occupation

\* Valid till July 29, 2021

#### **Banker to our Company**

##### **Kotak Mahindra Bank Limited**

27BKC, 2<sup>nd</sup> Floor, C-27,  
 G Block, Bandra Kurla Complex, Band II, Mumbai  
 400 051  
**Telephone:** 022 6218 5543  
**Email:** veena.kulkarni@kotak.com  
**Website:** www.kotak.com  
**Contact Person:** Veena Kulkarni  
**CIN:** 165110MH1985PLC038137

#### **Banker(s) to the Offer**

##### **Escrow Collection Bank(s)**

[•]

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

[•]

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

[•]

##### **Sponsor Bank(s)**

[•]

## **Designated Intermediaries**

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

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

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

### ***Self-Certified Syndicate Banks eligible as Issuer Banks 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, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI 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. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively, as may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

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

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

### ***Registered Brokers***

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

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

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

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

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at

<http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Credit Rating**

As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer.

### **Debenture Trustee**

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

### **Monitoring Agency**

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilisation of the proceeds from the Fresh Issue prior to filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, please see “*Objects of the Offer*” on page 101.

### **Grading of the Offer**

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

### **Green Shoe Option**

No green shoe option is contemplated under the Offer.

### **Experts**

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

Our Company has received written consent dated December 28, 2022 from our Joint Statutory Auditors, SRBC & Co LLP, Chartered Accountants and Lodha & Co., to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors and in respect of their (i) examination report dated December 20, 2022, on our Restated Financial Information, and (ii) report dated December 27, 2022, on the statement of special tax benefits available to our Company, and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has also received written consent dated December 28, 2022, from Lodha & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

Additionally, our Company has also received written consent dated December 28, 2022, from the Chartered Engineer, Chetan Kishore, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on the details of capacity and capacity utilization of our Company, included under “*Our Business*” on page 174 of this Draft Red Herring Prospectus.

### **Underwriting Agreement**

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Offer Price 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 left blank intentionally and will be updated in the Prospectus)*

Name, address, telephone and email of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
<b>Total</b>	[●]	[●]

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 SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

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

#### **Filing of the Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus will be filed through the SEBI Intermediary Portal at <https://sipotal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD” and will also be filed with the SEBI at the following address:

#### **Securities and Exchange Board of India**

SEBI Head Office, SEBI Bhavan  
Plot No. C4-A, “G” Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051

#### **Filing of the Red Herring Prospectus and Prospectus**

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC at its office at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India, and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

#### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms, if any, within the Price Band. The Price Band will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, 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 widely circulated Hindi national daily newspaper, and [●] editions of [●], a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, 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 Book Running Lead Managers, after the Bid / Offer Closing Date. For details, see “*Offer Procedure*” on page 386.

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. 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) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis.

#### **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 376 and 386, respectively.

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

Bidders should note that the Offer is also subject to obtaining (i) 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*” on page 386.

## CAPITAL STRUCTURE

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

<i>(In ₹ except share data)</i>			
		Aggregate value at face value	Aggregate value at Offer Price*
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	120,000,000 Equity Shares of face value of ₹ 2 each	240,000,000	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	86,250,000 Equity Shares of face value ₹ 2 each	172,500,000	-
<b>C</b>	<b>PRESENT OFFER</b>		
	Offer of up to [•] Equity Shares aggregating up to ₹ 10,000.00 million <sup>(1)(2)</sup>	[•]	[•]
	<i>which includes:</i>		
	Fresh Issue of up to [•] Equity Shares aggregating up to ₹ 2,000.00 million <sup>(1) ^</sup>	[•]	[•]
	Offer for Sale of up to [•] Equity Shares aggregating up to ₹ 8,000.00 million <sup>(2)</sup>	[•]	[•]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>		
	[•] Equity Shares of face value of ₹ 2 each*	[•]	[•]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		Nil
	After the Offer		[•]

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

^ 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 complying with Rule 19(2)(b) of the SCRR.

(1) The Offer has been authorized by a resolution of our Board dated December 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 17, 2022.

(2) Each of the Selling Shareholder has, severally and not jointly, consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorizations of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 359.

For details of changes to our Company's authorized share capital in the last 10 years, see "History and Certain Corporate Matters" beginning on page 206.

### Notes to the Capital Structure

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

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

Date of Allotment	Details of Allottees	Reason for / Nature of Allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
June 27, 2005	Allotment of 5,000 equity shares to Nimai Vijay Agrawal and 5,000 equity shares to Prabha Vijay Agarwal	Initial subscription to the Memorandum of Association	10,000	10	10	Cash
October 4, 2006	Allotment of 37,500 equity shares to Jugal Kishore Ruia, 42,500 equity shares to Manju J. Ruia, 45,000 equity shares to Prashant Ruia, 65,000 equity shares to Ramendra Kumar Dixit, 17,500 equity shares to Farokh Gharda, 15,500 equity shares to Phiroza Gharda, 95,000 equity shares to Nimai Vijay	Further issue	990,000	10	10	Cash

Date of Allotment	Details of Allottees	Reason for / Nature of Allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
	Agrawal, 6,100 equity shares to Gauri V. Agarwal, 35,900 equity shares to Prabha Vijay Agarwal and 630,000 equity shares to Vijaykumar Raghunandanprasad Agrawal <sup>(1)</sup>					
March 31, 2009	Allotment of 1,085,900 equity shares to Vijaykumar Raghunandanprasad Agrawal, 612,500 equity shares to Nimai Vijay Agrawal, 101,600 equity shares to Prabha Vijay Agarwal, 37,500 equity shares to Manju Ruia, 10,000 equity shares to Jugalkishor Ruia and 2,500 equity shares to Jugalkishor Ruia H.U.F.	Further issue	1,850,000	10	10	Cash
October 1, 2011	Allotment of 1,500,000 equity shares to Vijaykumar Raghunandanprasad Agrawal, 542,500 equity shares to Nimai Vijay Agrawal and 107,500 equity shares to Prabha Vijay Agarwal	Further issue	2,150,000	10	10	Cash
March 12, 2013	Allotment of 510,000 equity shares to Vijaykumar Raghunandanprasad Agrawal, 200,000 equity shares to Nimai Vijay Agrawal and 40,000 equity shares to Prabha Vijay Agarwal	Further issue	750,000	10	10	Cash

Pursuant to Board resolution dated June 17, 2022 and Shareholders resolution dated July 18, 2022, the face value of the equity shares of our Company was split from ₹ 10 each to ₹ 2 each, therefore an aggregate 5,750,000 issued and paid-up equity shares of ₹ 10 each were split into 28,750,000 Equity Shares of ₹ 2 each.

September 18, 2022	Allotment of 39,086,500 Equity Shares to Vijaykumar Raghunandanprasad Agrawal, 15,250,000 Equity Shares to Nimai Vijay Agrawal, 3,100,000 Equity Shares to Prabha Vijay Agarwal, 61,000 Equity Shares to Gauri Jain, 1,000 Equity Shares to Laxmi Bansal, 1,000 Equity Shares to Namrata Nimai Agrawal and 500 Equity Shares to Avadh Harkishanka	Bonus issue in the ratio of two Equity Shares for every one Equity Share held	57,500,000	2	-	-
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(1) Form 2 filed for the allotment erroneously mentions the allotment of 100,000 equity shares to Nimai Vijay Agrawal and 40,000 equity shares to Prabha Vijay Agarwal. For further details, see "Risk Factors – Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 42.

(b) **Equity Shares issued for consideration other than cash or out of revaluation reserves or by way of a bonus issue**

Our Company has not issued any Equity Shares out of its revaluation reserves.

Further, except as set forth below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue:

Date of Allotment	Reason / Nature of Allotment	Issue price per Equity Share (₹)	No. of Equity Shares Allotted	Face value (₹)	Benefits accrued to our Company
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September 18, 2022	Bonus issue in the ratio of two Equity Shares for every one Equity Share held <sup>(1)</sup>	-	57,500,000	2	N.A.
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*(1) Allotment of 39,086,500 Equity Shares to Vijaykumar Raghunandanprasad Agrawal, 15,250,000 Equity Shares to Nimai Vijay Agrawal, 3,100,000 Equity Shares to Prabha Vijay Agarwal, 61,000 Equity Shares to Gauri Jain, 1,000 Equity Shares to Laxmi Bansal, 1,000 Equity Shares to Namrata Nimai Agrawal and 500 Equity Shares to Avadh Harkishanka.*

**(c) *Equity Shares allotted in terms of any schemes of arrangement***

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-232 of the Companies Act, 2013.

**(d) *Equity Shares allotted at a price lower than the Offer Price in the last year***

The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid / Offer Closing Date. Except for the allotment of 57,500,000 Equity Shares pursuant to a bonus issue to all the Shareholders, as approved by our Board pursuant to its resolution dated August 9, 2022 and our Shareholders pursuant to their resolution dated August 24, 2022, 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.

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

### 3. 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 Equity Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	6	86,249,250	-	-	86,249,250	99.99	86,249,250	-	86,249,250	99.99	-	-	-	100	-	-	86,249,250
(B)	Public	1	750	-	-	750	Negligible	750	-	750	Negligible	-	-	-	-	-	-	750
I	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	7	86,250,000	-	-	86,250,000	100	86,250,000	100	86,250,000	100	-	-	-	100	-	-	86,250,000

#### 4. Major shareholders

As on the date of this Draft Red Herring Prospectus, our Company has a total of seven shareholders.

The list of our major Shareholders and the number of Equity Shares held by them is provided below:

- a) The details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the pre-Offer share capital
1.	Vijaykumar Raghunandanprasad Agrawal	58,629,750	67.98%
2.	Nimai Vijay Agrawal	22,875,000	26.52%
3.	Prabha Vijay Agarwal	4,650,000	5.39%
<b>Total</b>		<b>86,154,750</b>	<b>99.89%</b>

- b) The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company ten days prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the pre-Offer share capital
1.	Vijaykumar Raghunandanprasad Agrawal	58,629,750	67.98%
2.	Nimai Vijay Agrawal	22,875,000	26.52%
3.	Prabha Vijay Agarwal	4,650,000	5.39%
<b>Total</b>		<b>86,154,750</b>	<b>99.89%</b>

*Note: Details as on December 18, 2022, being the date ten days prior to the date of this Draft Red Herring Prospectus.*

- c) The details of our shareholders who held 1% or more of the paid-up equity share capital of our Company one year prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of equity shares held	% of the pre-Offer share capital
1.	Vijaykumar Raghunandanprasad Agrawal	3,908,900	67.98%
2.	Nimai Vijay Agrawal	1,525,000	26.52%
3.	Prabha Vijay Agarwal	310,000	5.39%
<b>Total</b>		<b>5,743,900</b>	<b>99.89%</b>

*Note: Details as on December 28, 2021, being the date one year prior to the date of this Draft Red Herring Prospectus.*

- d) The details of our shareholders who held 1% or more of the paid-up equity share capital of our Company two years prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of equity shares held	% of the pre-Offer share capital
1.	Vijaykumar Raghunandanprasad Agrawal	3,908,900	67.98%
2.	Nimai Vijay Agrawal	1,525,000	26.52%
3.	Prabha Vijay Agarwal	310,000	5.39%
<b>Total</b>		<b>5,743,900</b>	<b>99.89%</b>

*Note: Details as on December 28, 2020, being the date two years prior to the date of this Draft Red Herring Prospectus.*

5. Except for (i) the allotment of Equity Shares pursuant to the Fresh Issue; (ii) the allotment of specified securities pursuant to the Pre-IPO Placement; and (iii) any Equity Shares which may be issued and allotted pursuant to the conversion of employee stock options granted under the ESOP Scheme, there will be no further issue of Equity Shares whether by way of a 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 through a rights issue or further public issue of Equity Shares, or otherwise, until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc., as the case may be. Further, our Company presently does not intend or propose to alter its capital structure in such manner until a period of six months from the Bid / Offer Opening Date.

## 6. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

### (i) Equity Shareholding of the Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 81,504,750 Equity Shares, equivalent to 94.50% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	Vijaykumar Raghunandanprasad Agrawal	58,629,750	67.98%	[●]	[●]
2.	Nimai Vijay Agrawal	22,875,000	26.52%	[●]	[●]
<b>Total</b>		<b>81,504,750</b>	<b>94.50%</b>		

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

### (iii) Build-up of the Promoters' shareholding in our Company

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

Date of Allotment / Transfer / Transmission	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage of pre-Offer equity share capital	Percentage of post-Offer equity share capital
<b>Vijaykumar Raghunandanprasad Agrawal</b>						
October 4, 2006	Further issue	630,000	10	10	3.65%	[●]
March 31, 2009	Further issue	1,085,900	10	10	6.30%	[●]
April 5, 2011	Transfer by Farookh Garda <sup>(1)</sup>	17,500	10	15	0.10%	[●]
May 31, 2011	Transfer by Pheroza Garda <sup>(1)</sup>	15,500	10	15	0.09%	[●]
October 1, 2011	Further issue	1,500,000	10	10	8.70%	[●]
October 25, 2012	37,500 equity shares transferred by Jugalkishore Ruia, 80,000 equity shares transferred by Manju Ruia and 2,500 equity shares transferred by Jugalkishore Ruia HUF <sup>(1)</sup>	120,000	10	15.21	0.70%	[●]
March 12, 2013	Further issue	510,000	10	10	2.96%	[●]
November 4, 2019	Transfer from Ramendrakumar Dixit <sup>(1)</sup>	30,000	10	136.92	0.17%	[●]
June 17, 2022	100 equity shares gifted to Namrata Nimai Agrawal, 100 equity shares gifted to Laxmi V.	(250)	10	-	Negligible	[●]

Date of Allotment / Transfer / Transmission	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage of pre- Offer equity share capital	Percentage of post- Offer equity share capital
	Bansal and 50 equity shares gifted to Avadh Harkishanka <sup>(1)</sup>					

Pursuant to the resolutions passed by our Board of Directors on June 17, 2022 and our Shareholders on July 18, 2022, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the cumulative number of Equity Shares held by Vijaykumar Raghunandanprasad Agrawal, pursuant to the split was 19,543,250 Equity Shares

September 18, 2022	Bonus issue	39,086,500	2	-	45.32%	[●]
<b>Sub-total (A)</b>		<b>58,629,750</b>			<b>67.98%</b>	<b>[●]</b>

#### Nimai Vijay Agrawal

June 27, 2005	Initial subscription to the Memorandum of Association	5,000	10	10	0.03%	[●]
October 4, 2006	Further issue <sup>(2)</sup>	95,000	10	10	0.55%	[●]
March 31, 2009	Further issue	612,500	10	10	3.55%	[●]
October 1, 2011	Further issue	542,500	10	10	3.14%	[●]
October 25, 2012	Transfer from Prashant Ruia <sup>(1)</sup>	45,000	10	15.21	0.26%	[●]
March 12, 2013	Further issue	200,000	10	10	1.16%	[●]
November 4, 2019	Transfer from Ramendrakumar Dixit <sup>(1)</sup>	25,000	10	136.92	0.14%	[●]

Pursuant to the resolutions passed by our Board of Directors on June 17, 2022 and our Shareholders on July 18, 2022, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the cumulative number of Equity Shares held by Nimai Vijay Agrawal, pursuant to the split was 7,625,000 Equity Shares

September 18, 2022	Bonus issue	15,250,000	2	-	17.68%	[●]
<b>Sub-total (B)</b>		<b>22,875,000</b>			<b>26.52%</b>	<b>[●]</b>
<b>Grand Total (A)+(B)</b>		<b>81,504,750</b>			<b>94.50%</b>	<b>[●]</b>

<sup>(1)</sup> The share transfer forms executed in respect of these transfers are not traceable. For further details, see “Risk Factors – Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 42.

<sup>(2)</sup> Form 2 filed for the allotment erroneously mentions the allotment of 100,000 equity shares to Nimai Vijay Agrawal and 40,000 equity shares to Prabha Vijay Agarwal. For further details, see “Risk Factors – Certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 42.

- (iv) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.
- (v) As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.
- (vi) **Equity Shareholding of the Promoter Group**

As on the date of this Draft Red Herring Prospectus, the members of our Promoter Group (other than our Promoters) collectively hold 4,744,500 Equity Shares, equivalent to 5.50% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below:

S. 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.	Prabha Vijay Agarwal	4,650,000	5.39%	[●]	[●]



S. 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
2.	Gauri Jain	91,500	0.11%	[●]	[●]
3.	Laxmi Bansal	1,500	Negligible	[●]	[●]
4.	Namrata Agrawal	1,500	Negligible	[●]	[●]
	<b>Total</b>	<b>4,744,500</b>	<b>5.50%</b>	[●]	[●]

(vii) Except as disclosed in “– Build-up of the Promoters’ shareholding in our Company” on page 95, none of the members of the Promoter Group, the Promoters, the Directors of our Company, nor any of their respective 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.

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

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

The details of the price at which specified securities were acquired in the three years preceding the date of this Draft Red Herring Prospectus, by our Promoters, members of our Promoter Group and Selling Shareholders are disclosed below:

S. No.	Name of the acquirer / shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share* (in ₹)
<b>Promoters</b>				
1.	Vijaykumar Raghunandanprasad Agrawal #	September 18, 2022	39,086,500	Nil <sup>(1)</sup>
2.	Nimai Vijay Agrawal #	September 18, 2022	15,250,000	Nil <sup>(1)</sup>
<b>Promoter Group</b>				
1.	Prabha Vijay Agarwal #	September 18, 2022	3,100,000	Nil <sup>(1)</sup>
2.	Laxmi Bansal	June 17, 2022	100	Nil <sup>(2)</sup>
3.	Laxmi Bansal	September 18, 2022	1,000	Nil <sup>(1)</sup>
4.	Namrata Agrawal	June 17, 2022	100	Nil <sup>(2)</sup>
5.	Namrata Agrawal	September 18, 2022	1,000	Nil <sup>(1)</sup>
6.	Gauri Jain	September 18, 2022	61,000	Nil <sup>(1)</sup>

\* As certified by Lodha & Co., Chartered Accountants by way of their certificate dated December 28, 2022.

# Also a Selling Shareholder

(1) The acquisition price is Nil since the Equity Shares were allotted pursuant to a bonus issue. For details, see “Capital Structure – Equity Share capital history of our Company” on page 90.

(2) The acquisition price is Nil since the Equity Shares were transferred pursuant to a gift by Vijaykumar Raghunandanprasad Agrawal. For details, see “Capital Structure – Build-up of the Promoters’ shareholding in our Company” on page 95.

None of our Shareholders have the right to nominate directors or other special rights.

## 7. Details of lock-in of Equity Shares

### (i) Details of Promoter’s contribution locked in for 18 months

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 18 months as minimum promoters’ contribution from the date of Allotment (“**Promoters’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

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

Name of the 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
Vijaykumar Raghunandanprasad Agrawal	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Nimai Vijay Agrawal	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>						[•]	[•]	[•]

\* 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.

\*\* Subject to finalisation of the basis of allotment.

Note: The above details shall be filled in the Prospectus to be filed with the RoC.

Our Promoters have given consent, pursuant to their letters dated December 28, 2022, 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 dispose, 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.

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

- (i) the Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the immediately preceding three years (a) for consideration other than cash involving revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealized profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) the Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and
- (iv) the Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

(ii) ***Details of Equity Shares locked-in for six months***

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for 18 months as specified above and Equity Shares offered by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

(iii) ***Lock-in of Equity Shares Allotted to Anchor Investors***

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

(iv) **Other requirements in respect of lock-in**

- (i) 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.
- (ii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:
  - (a) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
  - (b) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

- (iii) 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.
  - (iv) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.
8. Our Company, the Selling Shareholders, the Promoters, the Directors and the BRLMs have not entered into buyback arrangements and/or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
9. All Equity Shares issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
10. As on the date of this Draft Red Herring Prospectus, the BRLMs and their associates (as explained under Regulation 21A of 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.

11. **ESOP Scheme**

As on the date of this Draft Red Herring Prospectus, except as mentioned below, our Company does not have any active employee stock option plan:

**Survival Technologies Employee Stock Option Plan 2022 (“ESOP Scheme”)**

Our Company adopted the ESOP Scheme pursuant to resolutions passed by our Board on December 15, 2022 and by our Shareholders on December 17, 2022. The objective of the ESOP Scheme is (i) to drive long term

performance and retention of talent, and (ii) to remain competitive with market in terms of wealth creation opportunity. The aggregate number of Equity Shares which may be issued under the ESOP Scheme shall not exceed 5% of the total paid-up share capital of our Company. As on the date of this Draft Red Herring Prospectus, no options have been granted by our Company under the ESOP Scheme.

In terms of the ESOP Scheme, minimum vesting period is one year and maximum vesting period is five years from the date of grant of options. Subject to certain conditions, the employee can exercise the vested options within the exercise period, which shall commence from the date of vesting and can extend till the end of 10 years from the date of grant of options.

As on the date of this Draft Red Herring Prospectus, no options have been granted under the ESOP Scheme, as certified by Lodha & Co., Chartered Accountants, by way of their certificate dated December 28, 2022.

12. Except for Vijaykumar Raghunandanprasad Agrawal, who holds 58,629,750 Equity Shares, Nimai Vijay Agrawal, who holds 22,875,000 Equity Shares and Prabha Vijay Agarwal who holds 4,650,000 Equity Shares, none of the Directors or Key Managerial Personnel of our Company hold any Equity Shares in our Company. For details, see “*Our Management – Shareholding of Directors in our Company*” on page 214.
13. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, our Promoters, the members of our Promoter Group or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
14. Except for Vijaykumar Raghunandanprasad Agrawal, Nimai Vijay Agrawal and Prabha Vijay Agarwal, who are offering Equity Shares in the Offer for Sale, none of our Promoters or members of our Promoter Group will participate in the Offer.
15. The BRLMs and persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs.
16. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Draft Red Herring Prospectus.
17. 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.
18. The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation as Selling Shareholders in the Offer for Sale.
19. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

## OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue by our Company and the Offer for Sale by the Selling Shareholders.

### Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale, after deducting their respective portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds from the Offer for Sale will not form part of the Net Proceeds. For further details, please see “- Offer expenses” on page 106.

### Fresh Issue

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

1. Funding our working capital requirements; and
2. General corporate purposes

(collectively referred to herein as the “**Objects**”).

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake (i) our existing business activities and (ii) the activities proposed to be funded through the Net Proceeds. In addition, our Company expects to receive the benefits of listing of Equity Shares on the Stock Exchanges including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

### Net Proceeds

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

Particulars	Amount* <span style="float: right;">(₹ in million)</span>
Gross Proceeds from the Fresh Issue #	Up to ₹ 2,000.00 million
Less: Estimated Offer related expenses in relation to the Fresh Issue	[●]
Net Proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company (“ <b>Net Proceeds</b> ”)	[●]

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

# 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 complying with Rule 19(2)(b) of the SCRR. 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 the objects to the Offer.

Note: Other than: (a) listing fees; (b) audit fees of statutory auditors of the Company (to the extent not attributable to the Offer); and (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Company, and (d) fees and expenses in relation to the legal counsel to any Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be shared among the Company and each of the Selling Shareholders in proportion to the number of Equity Shares offered by the Company through any fresh issuance in the Offer and the Equity Shares sold by the Selling Shareholders in the Offer in accordance with the applicable law. The Company will advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses upon the Consummation of the Offer.

### Utilization of Net Proceeds and Schedule of Implementation and Deployment

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

(₹ in million)

Particulars	Total estimated cost	Amount which will be financed from Net Proceeds <sup>(1)</sup>	Estimated Utilization of Net Proceeds in Fiscal 2024
Funding our working capital requirements	1,750.00	1,750.00	1,750.00
General corporate purposes <sup>(2)</sup>	[●]	[●]	[●]
<b>Total</b>		[●]	[●]

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

(2) The amount shall not exceed 25% of the Gross Proceeds. 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 complying with Rule 19(2)(b) of the SCRR. 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 the objects to the Offer.

The fund requirement, the deployment of funds and the intended use of the Net Proceeds indicated above is based on the current management estimates, current circumstances of our business plan and the prevailing market conditions, which may be subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. 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 49. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws. Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity may be financed by surplus funds including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders, subject to compliance with applicable law. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event, 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 economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

### Details of the Objects of the Fresh Issue

The details in relation to Objects of the Fresh Issue are set forth herein below:

#### 1. Funding our working capital requirements

We have historically funded a majority of our working capital requirements in the ordinary course of business from our internal accruals and financing from banks. As on October 31, 2022 our Company’s working capital facilities consisted of an aggregate exposure of ₹430.00 million. Our Company requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of our business, please see “Our Business” on page 174.

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

Set forth below are the details of our Company’s existing working capital requirement as at June 30, 2022, March

31, 2022, March 31, 2021 and March 31, 2020, derived from the Restated Financial Information:

*(₹ in million)*

S. No.	Particulars	As at June 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>I.</b>	<b>Current Assets</b>				
(a)	Inventories	513.51	401.86	193.07	147.22
<b>(b)</b>	<b>Financial Assets</b>				
(i)	Trade receivables	1,338.70	1,198.94	759.22	810.60
(ii)	Cash and cash equivalents	80.27	85.68	73.06	11.60
(iii)	Other Balances with Banks	102.88	96.00	229.72	19.07
(iv)	Other financial assets	55.15	46.89	4.93	7.43
<b>(c)</b>	<b>Other current assets</b>	116.33	115.04	125.90	106.03
	<b>Total current assets (A)</b>	<b>2,206.84</b>	<b>1,944.40</b>	<b>1,385.90</b>	<b>1,101.95</b>
<b>II.</b>	<b>Current Liabilities</b>				
(i)	Trade payables	468.46	506.83	321.46	315.65
(ii)	Lease liabilities	9.72	10.21	2.39	4.45
(iii)	Other financial liabilities	52.44	39.42	33.88	21.78
(iv)	Other current liabilities, provisions, current tax liabilities (Net)	68.60	20.94	51.29	73.54
	<b>Total current liabilities (B)</b>	<b>599.22</b>	<b>577.40</b>	<b>409.02</b>	<b>415.42</b>
<b>III.</b>	<b>Total working capital (A-B)</b>	<b>1,607.62</b>	<b>1,367.00</b>	<b>976.88</b>	<b>686.53</b>
<b>IV.</b>	<b>Funding Pattern</b>				
(a)	Working Capital funding from Banks	-	-	-	188.57
(b)	Internal accruals	1,607.62	1,367.00	976.88	497.96
	<b>Total working capital</b>	<b>1,607.62</b>	<b>1,367.00</b>	<b>976.88</b>	<b>686.53</b>

\*As certified vide certificate dated December 28, 2022 from Lodha & Co., Chartered Accountants

On the basis of our existing working capital requirements, the details of our Company's expected working capital requirements and holding period, as approved by our Board pursuant to a resolution dated December 28, 2022, are as provided below:

*(in ₹ million)*

S. No.	Particulars	Estimated amount as at March 31, 2024	Estimated amount as at March 31, 2023
<b>I.</b>	<b>Current Assets</b>		
(a)	Inventories	603.54	502.95
<b>(b)</b>	<b>Financial Assets</b>		
(i)	Trade receivables	1,705.66	1,421.38
(ii)	Cash and cash equivalents	91.84	76.54
(iii)	Other Balances with Banks	144.33	120.27
(iv)	Other financial assets	52.48	43.73
<b>(c)</b>	<b>Other current assets</b>	131.20	109.34
	<b>Total current Assets (A)</b>	<b>2,729.05</b>	<b>2,274.21</b>
<b>II.</b>	<b>Current Liabilities</b>		
(i)	Trade payables	551.06	459.22
(ii)	Lease liabilities	13.12	10.93
(iii)	Other financial liabilities	52.48	43.73
(iv)	Other current liabilities, provisions, current tax liabilities (Net)	65.60	54.67
	<b>Total current liabilities (B)</b>	<b>682.26</b>	<b>568.55</b>
<b>III.</b>	<b>Total working capital requirements (A-B)</b>	<b>2,046.79</b>	<b>1,705.66</b>

\*As certified vide certificate dated December 28, 2022 from Lodha & Co., Chartered Accountants

The estimates of working capital requirements and proposed funding requirements for Fiscal 2023 and Fiscal 2024 as approved by the Board pursuant to a resolution dated December 28, 2022, are set forth below. Our Joint Statutory Auditors have provided no assurance or services related to any prospective financial information.

(in ₹ million)

Particulars	For Fiscal ended March 31, 2024 (Assumed)	For Fiscal ended March 31, 2023 (Assumed)
<b>Working Capital Requirement</b>	2,046.79	1,705.66
<b>Funding Pattern</b>		
Working Capital funding from Banks	-	-
Internal accruals	296.79	1,705.66
Net Proceeds	1,750.00	-
<b>Total</b>	<b>2,046.79</b>	<b>1,705.66</b>

\*As certified vide certificate dated December 28, 2022 from Lodha & Co., Chartered Accountants

#### Key assumptions for working capital requirements

The table hereunder contains the holding period (with days rounded to the nearest number) and justifications for holding period levels on the basis of Restated Financial Information:

S. No.	Particulars	No. of days					
		For the year ended March 31, 2024 (Estimated)	For the year ended March 31, 2023 (Estimated)	For the quarter ended June 30, 2022 (Actual)	For the year ended March 31, 2022 (Actual)	For the year ended March 31, 2021 (Actual)	For the year ended March 31, 2020 (Actual)
1.	Inventories	46	46	46	47	25	26
2.	Trade receivables	130	130	120	140	100	148
3.	Cash and cash equivalents	7	7	7	10	9	2
4.	Other Balances with Bank	11	11	9	11	30	3
5.	Other Financial Assets	4	4	4	5	0	1
6.	Other current assets	10	10	10	13	16	19
7.	Trade Payables	42	42	42	59	42	57
8.	Lease liabilities	1	1	1	1	1	1
9.	Other financial liabilities	4	4	4	4	4	3
10.	Other current liabilities, Provisions, Current Tax Liabilities (Net)	5	5	6	2	6	13

Note: As certified vide certificate dated December 28, 2022 from Lodha & Co., Chartered Accountants

Justifications for holding period levels:

S. No.	Particulars	Assumptions
<b>Current Assets</b>		
1.	Inventories	The holding levels of inventories was 26 days in Fiscal 2020, 25 days in Fiscal 2021, 47 days in Fiscal 2022 and 46 days as of June 30, 2022. Inventory levels generally tend to vary depending on the factors such as order book status, delivery schedules, etc. Hence, we consider the holding period of 46 days as of June 30, 2022 to continue for Fiscal 2023 and Fiscal 2024.
2.	Trade receivables	The holding levels of trade receivables decreased from 148 days in Fiscal 2020 to 100 days in Fiscal 2021, on account of quicker realisation of Trade receivables. However, the holding levels of Trade receivables increased to 140 days in Fiscal 2022 and 120 days as at June 30, 2022 due to normalcy in operations. The average holding period of trade receivables is 130 days for the Fiscal 2020, Fiscal 2021 and Fiscal 2022. We expect the holding level to continue to be 130 days for Fiscal 2023 and Fiscal 2024.
3.	Cash and Cash Equivalents	The company maintains certain amounts of money in the form of Cash and Cash Equivalents in order to meet normal day to day expenditures. The holding levels of Cash and Cash Equivalents has ranged from 2 days to 10 days between Fiscal 2020 and Fiscal 2022. The average holding level period of Cash and Cash Equivalents is 7 days for the Fiscal 2020, Fiscal 2021 and Fiscal 2022. We expect the holding level to be at 7 days for Fiscal 2023 and Fiscal 2024.
4.	Other Balances with Bank	The Company is required to hold certain amount of money in term deposits placed with the banks as margin money towards the issue of bank guarantees and import letter of credits. Further, the cash which is not immediately required for business expenditure is parked in term deposits of varying maturities. The holding levels of Other Balances with Bank has ranged



S. No.	Particulars	Assumptions
		from 3 days to 30 days between Fiscal 2020 and Fiscal 2022. The holding levels of Other Balances with Bank is 11 days for Fiscal 2022. We expect the holding level of Other Balances with Bank to be at 11 days for Fiscal 2023 and Fiscal 2024 in line with Fiscal 2022.
5.	Other Financial Assets	Other Financial Assets is primarily in the form of export benefits to be received and security deposits. The holding level of Other Financial Assets has ranged from 0 to 5 days from Fiscal 2020 to Fiscal 2022 and was 4 days as at June 30, 2022. We expect the holding level of Other Financial Assets to be at 4 days for Fiscal 2023 and 2024 in line with holding levels as at June 30, 2022.
6.	Other Current Assets	This consists of advances to employees and suppliers, balances due with Government Authorities. The holding level of Other Current Assets has ranged from 13 to 19 days from Fiscal 2020 to Fiscal 2022 and was 10 days as at June 30, 2022. We expect the holding level of Other Current Assets to be 10 days for Fiscal 2023 and 2024 in line with holding level as at June 30, 2022.

**Current Liabilities**

7.	Trade Payables	Company generally gets a credit period of 30 to 60 days. The holding levels of trade payables have reduced from 57 days in Fiscal 2020 to 42 days in Fiscal 2021. The holding levels of trade payables were 59 days in Fiscal 2022 and 42 days as at June 30, 2022. We expect the holding level of Trade Payables to continue at 42 days for Fiscal 2023 and Fiscal 2024 in line with holding level as at June 30, 2022.
8.	Other Financial Liabilities	This consists of amounts payable to employees and towards other expenses and are assumed to be having payment cycle as per the terms and conditions prevailing for each such financial liability. The holding level of other financial liabilities has ranged from 3 to 4 days from Fiscal 2020 to Fiscal 2022 and was 4 days as at June 30, 2022 and we expect to the holding levels of Other Financial Liabilities to continue at 4 days for Fiscal 2023 and 2024 in line with holding levels as at June 30, 2022.
9.	Other current liabilities, Provisions, Current Tax Liabilities (Net)	The holding levels of Other current liabilities, Provisions, Current Tax Liabilities (Net) have reduced from 13 days in Fiscal 2020 to 6 days as at June 30, 2022 attributable to early discharge of liabilities. We expect the holding level to be 5 days for Fiscal 2023 and Fiscal 2024.

*Note: As certified vide certificate dated December 28, 2022 from Lodha & Co., Chartered Accountants*

Our Company proposes to utilize up to ₹1,750.00 million from the Net Proceeds towards funding our working capital requirements. Our Company expects that the funding pattern for working capital requirements for Fiscal 2024 will comprise of working capital funding from Net Proceeds and internal accruals.

The Board pursuant to its resolution dated December 28, 2022 has approved the working capital requirements of our Company. See “*Material Contracts and Documents for Inspection – Material Documents*” on page 431.

## 2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive our business growth, including, amongst other things, (i) funding growth opportunities, including strategic initiatives; (ii) meeting any expenses incurred in the ordinary course of business by our Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (iii) servicing of borrowings including payment of interest; (iv) brand building and other marketing expenses; (v) strengthening marketing capabilities and brand building exercise (vi) meeting of exigencies which our Company may face in the course of any business; and (vii) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, will have flexibility in utilizing surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the

subsequent Fiscals.

### **Interim use of Net Proceeds**

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

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

### **Means of finance**

The fund requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. For further details, see “*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval*” on page 49. We may vary the Objects in the manner provided in “*Objects of the Offer – Variation in Objects*” on page 109.

### **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.

### **Appraising entity**

The Objects for which the Net Proceeds will be utilised have not been appraised by any bank or financial institution or other independent agency.

### **Offer Expenses**

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises of, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsel, Registrar to the Offer, Banker(s) 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 Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI Mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than (i) the listing fees which shall be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders; all costs, fees and expenses with respect to the Offer shall be shared by our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All the expenses relating to the Offer shall be paid by our Company and reimbursed by the Selling Shareholders from the proceeds of the Offer in proportion to the respective portion of Offered Shares, in accordance with Applicable Law and in the manner set out under the Escrow and Sponsor Bank Agreement. For ease of operations, some, or all, of the total expenses and the total fees may at the outset be borne by our Company and our Company shall be reimbursed directly from the public offer account(s) immediately upon receipt of the listing and trading approvals from the stock exchanges and appropriate instructions in this regard would be included in the Escrow and Sponsor Bank Agreement.

In the event of withdrawal of the Offer or the Offer is not successful or consummated, all other cost and expenses (including all applicable taxes) with respect to the Offer shall be borne by our Company and the Selling Shareholders in proportion to the Equity Shares offered in the Fresh Issue and Offer for Sale, respectively. It is clarified that, in the event the Offer is postponed or withdrawn or abandoned, our Company shall be liable to bear the fees and expenses of the BRLMs, advisor to the Offer and the legal counsels appointed in connection with the Offer.

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

Activity	Estimated expenses <sup>(1)</sup> (₹ in million)	As a % of total estimated Offer related expenses <sup>(1)</sup>	As a % of Offer size <sup>(1)</sup>
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by UPI Bidders using the UPI Mechanism) procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking, Bankers to the Offer, fees payable to the Sponsor Bank for Bids made by RIBs <sup>(2)(3)</sup>	[●]	[●]	[●]
Selling commission and uploading charges payable to members of the Syndicate (including their Sub-Syndicate Members), RTAs, CDPs and Registered Brokers <sup>(4)(5)(6)</sup>	[●]	[●]	[●]
Processing fees payable to the Sponsor Bank <sup>(6)</sup>	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses	[●]	[●]	[●]
Fees payable to legal counsel	[●]	[●]	[●]
Fees payable to Joint Statutory Auditors	[●]	[●]	[●]
Fees payable to advisors to the Offer	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

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

<sup>(2)</sup> Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

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

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

<sup>(3)</sup> No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them.

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

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

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

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

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

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

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

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

- (5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

\* Based on valid applications

- (6) Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

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

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

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

### Monitoring utilization of funds from the Offer

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency upon receipt before the Audit Committee without any delay.

Pursuant to the Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Joint Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement

including deviations, if any, in the utilization of the Net Proceeds of the Offer from the Objects as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

### **Variation in Objects**

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

### **Other confirmations**

Except to the extent of the proceeds received from the Offer for Sale, there is no proposal whereby any portion of the Offer Proceeds will be paid to our Promoters, Promoter Group, Group Companies, Directors or Key Managerial Personnel. Further, there are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Group Companies, Directors or Key Managerial Personnel.

## BASIS FOR THE OFFER PRICE

The 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 qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹2 each, and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Restated Financial Information*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Other Financial Information*” on pages 174, 33, 233, 308 and 302, respectively, to have an informed view before making an investment decision.

### Qualitative factors

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

- Leading contract research and manufacturing service speciality chemicals player with focus heterocyclic and fluoro product groups;
- Established competence in multiple, complex chemistries through continuous research and development;
- Diversified business model with high entry barriers;
- Well established and long-standing relationships with marquee customer base;
- Focus on manufacturing quality products, with modern infrastructure and a robust supply chain; and
- Track record of robust financial performance.

For further details, see “*Our Business – Competitive Strengths*” on page 179.

### Quantitative factors

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”)

*Based on / derived from the Restated Financial Information:*

Fiscal Year / period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2022	8.52	8.52	3
March 31, 2021	6.53	6.53	2
March 31, 2020	2.21	2.21	1
<b>Weighted Average</b>	5.75	5.75	
As of three months ended June 30, 2022*	2.88	2.88	-

\* Not annualised

Notes:

- i) *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*
- ii) *Earnings per Equity Share (₹) = Net profit after tax / Weighted average no. of Equity Shares outstanding during the year/period*
- iii) *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.*
- iv) *The figures disclosed above are based on the Restated Financial Information.*
- v) *Pursuant to a resolution of Board of Directors dated June 17, 2022 and the shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33.*

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

Particulars	P / E at the Floor Price (number of times)	P / E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2022	[●]	[●]
Based on diluted EPS for Fiscal 2022	[●]	[●]

Note: Price / earning (P / E) ratio is computed by dividing the price per share by earnings per share.

## III. Industry Peer Group P / E ratio

Particulars	Industry P / E (number of times)
Highest	86.46
Lowest	61.28
Average	72.88

Notes:

- The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.
- The industry P / E ratio mentioned above is for the financial year ended March 31, 2022.
- All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2022, as available on the websites of the Stock Exchanges.

## IV. Return on Net Worth (“RoNW”)

As derived from the Restated Financial Information:

Fiscal / period	Return on Net Worth (%)	Weight
2022	32.60%	3
2021	36.95%	2
2020	19.79%	1
<b>Weighted Average</b>	<b>31.92%</b>	<b>-</b>
As of three months ended June 30, 2022 *	9.94%	

\* Not annualised

Notes:

- Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year / Total of weights.
- Return on Net Worth (%) = Profit for the period / year divided by Net worth at the end of the year / period. Net worth amounts are calculated as sum of equity share capital and other equity.

## V. Net Asset Value per Equity Share

As at	NAV per Equity Share (in ₹)
March 31, 2022	26.12
June 30, 2022	29.02

Notes:

- Net Asset Value per Equity Share is calculated as total equity divided by weighted average number of equity shares outstanding during the respective year/period.
- Pursuant to a resolution of Board of Directors dated June 17, 2022 and the shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of net asset value per equity share as per the principles of Ind AS 33.

As at	NAV per Equity Share (in ₹)
After the completion of the Offer:	
(i) At Floor Price	[●]
(ii) At Cap Price	[●]
Offer Price <sup>(1)</sup>	[●]

<sup>(1)</sup> Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

## VI. Comparison of accounting ratios with listed industry peers

Name of the company	Consolidated / Standalone	Face value (₹ per share)	Closing price on December 26, 2022 (₹)	Revenue from Operations (in ₹ million)	EPS (₹)		NAV (₹ per share)	P / E	RoNW (%)
					Basic	Diluted			
Survival Technologies Limited	Standalone	2.00	N.A.	3,117.82	8.52 <sup>(5)</sup>	8.52 <sup>(5)</sup>	26.12 <sup>(5)</sup>	N.A.	32.60%
<b>Peer group</b>									
Navin Fluorine International Limited	Consolidated	2.00	4,137.25	14,533.60	53.12	53.08	372.17	77.94	14.27%
Alkyl Amines Chemical Limited	Standalone	2.00	2,693.30	15,427.99	44.04	43.95	193.80	61.28	22.72%
Aether Industries Limited	Standalone	10.00	836.10	5,900.47	9.67	9.67	34.33	86.46	28.16%
Neogen Chemicals Limited	Consolidated	10.00	1,230.75	4,872.50	18.70	18.70	176.12	65.82	10.16%

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges.

Notes:

(1) P / E Ratio has been computed based on the closing market price of equity shares on BSE on December 26, 2022 divided by the Diluted EPS for the year ended March 31, 2022.

(2) Return on Net Worth (%) has been calculated as Profit for the period / year divided by Net worth at the end of the year / period.

(3) Net Asset Value per Equity Share is calculated as total equity divided by total no. of equity shares outstanding as of March 31, 2022.

(4) For the purpose of calculating NAV per equity share for Survival Technologies Private Limited, certain reserves have been excluded from the calculation of 'Net Worth', in line with the definition of Net Worth under SEBI ICDR Regulations.

(5) Pursuant to a resolution of Board of Directors dated June 17, 2022 and the shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value to ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share and net asset value per equity share as per the requirement / principles of Ind AS 33, as applicable.

## VII. Key financial and operational performance indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 28, 2022 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by Lodha & Co., Chartered Accountants, by their certificate dated December 28, 2022.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 174 and 308, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 5.



Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ million)	Gross Profit provides information regarding the profits from manufacturing of products by the Company.
Gross Margin (₹ million)	Gross Margin is an indicator of the profitability on sale of products manufactured by the Company.
EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ million)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows (₹ million)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Total Quantity Sold (Kgs)	This metric helps us to track the growth in volumes of our business.
Average sales realization (per kilogram)	This metric enables us to track the average pricing we are able to achieve for our products.
Revenue split between domestic and exports	This metric enables us to track the progress of our revenues in the domestic and export markets.
Contribution to revenue from operations of top 3 / 5 / 10 products	This metric enables us to track the contribution of our key products to our revenue and also assess any concentration risks.
Contribution to revenue from operations of top 3 / 5 / 10 customers	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

### Financial KPIs of our Company

Particulars	As at and for the three months ended June 30, 2022*	March 31, 2022	March 31, 2021	March 31, 2020
Revenue from Operations <sup>(1)</sup> (₹ million)	1,000.20	3,117.82	2,747.90	1,991.46
Growth in Revenue from Operations <sup>(2)</sup> (%)	-	13.46%	37.98%	-
Gross Profit <sup>(3)</sup> (₹ million)	547.83	1,614.96	1,188.92	831.28
Gross Margin <sup>(4)</sup> (%)	54.77%	51.80%	43.27%	41.74%
EBITDA <sup>(5)</sup> (₹ million)	328.65	919.02	696.50	349.05
EBITDA Margin <sup>(6)</sup> (%)	32.86%	29.48%	25.35%	17.53%
Profit After Tax <sup>(7)</sup> (₹ million)	248.79	734.62	563.20	190.54
PAT Margin (%) <sup>(8)</sup>	24.87%	23.56%	20.50%	9.57%
RoE <sup>(9)</sup> (%)	9.94%	32.60%	36.95%	19.79%
RoCE <sup>(10)</sup> (%)	13.76%	42.50%	49.00%	32.18%

Particulars	As at and for the three months ended June 30, 2022*	March 31, 2022	March 31, 2021	March 31, 2020
Net Fixed Asset Turnover <sup>(11)</sup>	2.51	8.23	8.89	6.38
Net Working Capital Days <sup>(12)</sup>	173.03	198.53	145.10	98.48
Operating Cash Flows <sup>(13)</sup> (₹ million)	64.32	174.67	507.38	80.21

Notes:

\* Not Annualised.

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- (3) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress.
- (4) Gross Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- (5) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income.
- (6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- (7) Profit After Tax means Profit for the period/year as appearing in the Restated Financial Statements.
- (8) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations
- (9) RoE (Return on Equity) (%) is calculated as profit for the year/period divided by Total Equity.
- (10) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities
- (11) Net Fixed Asset Turnover is calculated as revenue from operations divided by fixed assets which consists of property, plant and equipment and capital work-in-progress.
- (12) Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year.
- (13) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

### Operational KPIs for the Company

Particulars	Survival Technologies Limited			
	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Total Quantity Sold (Kgs) <sup>1</sup>	4,09,102.81	17,11,128.00	18,04,687.00	13,40,750.00
Average sales realization (₹/ per kilogram) <sup>2</sup>	2,419.91	1,781.54	1,509.85	1,470.56
Revenue split between domestic and exports <sup>3</sup> :				
Domestic Market (₹ million)	639.36	2,082.45	1,852.57	1,374.64
Export Market (₹ million)	350.63	965.98	872.23	597.01
Domestic Market (%)	64.58%	68.31%	67.99%	69.72%
Export Market (%)	35.42%	31.69%	32.01%	30.28%
Contribution to Revenue from Operations of top 3 / 5 / 10 products <sup>4</sup> :				
Top 3 (%)	29.28%	18.47%	19.08%	16.40%
Top 5 (%)	41.24%	27.28%	28.36%	24.50%
Top 10 (%)	56.84%	42.96%	44.12%	39.72%
Contribution to Revenue from Operations of top 1 / 3 / 5 / 10 customers <sup>5</sup> :				
Top 1 (%)	17.40%	8.61%	7.93%	5.64%
Top 3 (%)	31.24%	17.72%	16.87%	13.98%
Top 5 (%)	41.16%	24.99%	23.75%	19.40%
Top 10 (%)	58.13%	35.43%	35.01%	30.32%

- Total Quantity Sold refers to the total units (Kgs) of products during the year / period.
- Average sales realization is calculated as revenue from operations divided by total quantity sold.
- Revenue from Domestic and Export Market refers to corresponding disclosures in the Restated Financial Statements under Revenue from Contract recognised at a point in time.
- Contribution to Revenue from Operations of top 3 / 5 / 10 products means aggregate revenue from top 3 / 5 / 10 products divided by total Revenue from Operations.
- Contribution to Revenue from Operations of top 1 / 3 / 5 / 10 customers means aggregate revenue from top 1 / 3 / 5 / 10 customers divided by total Revenue from Operations.

## Comparison of financial KPIs of our Company and our listed peers

While our listed peers (mentioned below), like us, operate in the speciality chemicals industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

Particulars	Survival Technologies Limited				Alkyl Amines Chemicals Limited**				Neogen Chemicals Limited (Consolidated)**				Aether Industries Limited**				Navin Fluorine International Limited (Consolidated)**			
	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Revenue from Operations <sup>(1)</sup> (₹ million)	1,000.20	3,117.82	2,747.90	1,991.46	4,734.80	15,427.98	12,424.36	9,928.77	1,479.00	4,872.50	3,364.15	3,061.21	1,600.11	5,900.47	4,498.16	3,018.74	3,975.20	14,533.60	11,793.90	10,615.53
Growth in Revenue from Operations <sup>(2)</sup> (%)	-	13.46%	37.98%	-	-	24.18%	25.13%	-	-	44.84%	9.90%	-	-	31.18%	49.01%	-	-	23.23%	11.10%	-
Gross Profit <sup>(3)</sup> (₹ million)	547.83	1,614.96	1,188.92	831.29	2,411.70	7,072.42	7,193.01	5,083.82	662.00	2,122.80	1,387.87	1,220.24	770.11	3,020.14	2,191.27	1,457.20	2,152.40	7,877.30	6,420.20	5,777.34
Gross Margin <sup>(4)</sup> (%)	54.77%	51.80%	43.27%	41.74%	50.94%	45.84%	57.89%	51.20%	44.76%	43.57%	41.25%	39.86%	48.13%	51.18%	48.71%	48.27%	54.15%	54.20%	54.44%	54.42%
EBITDA <sup>(5)</sup> (₹ million)	328.65	919.02	696.49	349.06	1,158.30	3,265.15	4,291.34	2,570.20	246.50	867.80	643.60	580.52	424.49	1,681.07	1,121.59	696.53	991.30	3,548.10	3,092.90	2,634.85
EBITDA Margin <sup>(6)</sup> (%)	32.86%	29.48%	25.35%	17.53%	24.46%	21.16%	34.54%	25.89%	16.67%	17.81%	19.13%	18.96%	26.53%	28.49%	24.93%	23.07%	24.94%	24.41%	26.22%	24.82%
Profit After Tax <sup>(7)</sup> (₹ million)	248.79	734.62	563.20	190.54	818.80	2,248.96	2,953.41	2,152.81	111.00	446.30	313.31	286.56	306.20	1,089.29	711.19	396.12	744.50	2,630.80	2,470.50	4,013.65
PAT Margin <sup>(8)</sup> (%)	24.87%	23.56%	20.50%	9.57%	17.29%	14.58%	23.77%	21.68%	7.51%	9.16%	9.31%	9.36%	19.14%	18.46%	15.81%	13.12%	18.73%	18.10%	20.95%	37.81%
RoE <sup>(9)</sup> (%)	9.94%	32.60%	36.95%	19.79%	NA	22.72%	37.27%	40.12%	NA	10.16%	17.12%	18.34%	NA	28.16%	40.79%	38.29%	NA	14.27%	15.12%	28.42%
RoCE <sup>(10)</sup> (%)	13.76%	42.50%	49.00%	32.18%	NA	29.32%	47.13%	42.88%	NA	13.10%	18.23%	25.87%	NA	30.25%	36.12%	36.08%	NA	17.29%	21.21%	17.90%
Net Fixed Asset Turnover <sup>(11)</sup>	2.51	8.23	8.89	6.38	NA	2.08	2.20	2.27	NA	1.67	1.42	2.88	NA	2.01	2.09	2.19	NA	1.30	2.51	2.63

Particulars	Survival Technologies Limited			Alkyl Amines Chemicals Limited**			Neogen Chemicals Limited (Consolidated)**			Aether Industries Limited**			Navin Fluorine International Limited (Consolidated)**							
	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020				
Net Working Capital Days <sup>(12)</sup>	173.03	198.53	145.10	98.48	NA	49.60	72.31	51.59	NA	205.52	71.88	96.81	NA	103.69	58.12	36.20	NA	159.57	307.23	208.49
Operating Cash Flows <sup>(13)</sup> (₹ million)	64.32	174.67	507.38	80.21	NA	2046.69	3,640.25	1,877.22	NA	14.10	835.70	-345.47	NA	(54.42)	231.96	176.95	NA	747.60	2372.7	1,566.39

Notes:

\* Not Annualised.

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

2. Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

3. Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress.

4. Gross Margin (%) is calculated as Gross Profit divided by Revenue from Operations.

5. EBITDA is calculated as profit for the year/period plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses, less other income.

6. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

7. Profit After Tax means Profit for the period/year as appearing in the Restated Financial Statements.

8. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations

9. RoE (Return on Equity) (%) is calculated as profit for the year/period divided by Total Equity. Not calculable for peers for the quarter ending 30<sup>th</sup> June, 2022 as the balance sheet is not publicly available.

10. RoCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities. Not calculable for peers for the quarter ending 30<sup>th</sup> June, 2022 as the balance sheet is not publicly available.

11. Net Fixed Asset Turnover is calculated as revenue from operations divided by fixed assets which consists of property, plant and equipment and capital work-in-progress. Not calculable for peers for the quarter ending 30<sup>th</sup> June, 2022 as the balance sheet is not publicly available.

12. Net Working Capital Days is calculated as working capital requirement (which is the difference between Total Current Assets and Total Current Liabilities) for the period divided by revenue from operations multiplied by number of days in a year/period. Not calculable for peers for the quarter ending 30<sup>th</sup> June, 2022 as the balance sheet is not publicly available.

13. Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements. Not available for peers for the quarter ending 30<sup>th</sup> June, 2022 as the cash flow statement is not publicly available.

\*\*All the information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from their respective audited/unaudited financial results and/or annual report.

**Comparison of Operational KPIs for the Company with that of Company's listed peers**

Particulars	Survival Technologies Limited				Alkyl Amines Chemicals Limited <sup>(6)</sup>				Neogen Chemicals Limited <sup>(6)</sup>				Aether Industries Limited <sup>(6)</sup>				Navin Fluorine International Limited <sup>(6)</sup>			
	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Total Quantity Sold (Kgs) <sup>1</sup>	4,09,102.81	17,11,128.00	18,04,687.00	13,40,750.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average sales realization ((₹/ per kilogram) <sup>2</sup>	2,419.91	1,781.54	1,509.85	1,470.56	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Revenue split between domestic and exports <sup>3</sup>																				
Domestic Market (₹ million)	639.36	2,082.45	1,852.57	1,374.64	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Export Market (₹ million)	350.63	965.98	872.23	597.01	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Domestic Market (%)	64.58%	68.31%	67.99%	69.72%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Export Market (%)	35.42%	31.69%	32.01%	30.28%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Contribution to revenue from operations of top 3 / 5 / 10 products <sup>4</sup>																				
Top 3	29.28%	18.47%	19.08%	16.40%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Top 5	41.24%	27.28%	28.36%	24.50%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Top 10	56.84%	42.96%	44.12%	39.72%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Contribution to revenue from operations of top 3 / 5 / 10 customers <sup>5</sup>																				
Top 1	17.40%	8.61%	7.93%	5.64%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Top 3	31.24%	17.72%	16.87%	13.98%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Particulars	Survival Technologies Limited				Alkyl Amines Chemicals Limited <sup>(6)</sup>				Neogen Chemicals Limited <sup>(6)</sup>				Aether Industries Limited <sup>(6)</sup>				Navin Fluorine International Limited <sup>(6)</sup>			
	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	As at and for the three months ended June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Top 5	41.16%	24.99%	23.75%	19.40%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Top 10	58.13%	35.43%	35.01%	30.32%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

1. Total Quantity Sold refers to the total units (Kgs) of products during the year / period.
2. Average sales realization is calculated as revenue from operations divided by total quantity sold.
3. Revenue from Domestic and Export Market refers to corresponding disclosures in the Restated Financial Statements under Revenue from Contract recognised at a point in time.
4. Contribution to Revenue from Operations of top 3 / 5 / 10 products means aggregate revenue from top 3 / 5 / 10 products divided by total Revenue from Operations.
5. Contribution to Revenue from Operations of top 1 / 3 / 5 / 10 customers means aggregate revenue from top 1 / 3 / 5 / 10 customers divided by total Revenue from Operations.
6. Data of Operational KPI's of the Company's listed peers is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information not available in a comparable manner, and hence not mentioned.

### VIII. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

#### Primary transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this DRHP:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ million)
September 18, 2022	5,75,00,000	2	Nil	Bonus Issue	Other than cash	Nil
<b>Weighted average cost of acquisition (WACA)</b>						<b>Nil</b>

#### Secondary acquisition:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group, Selling Shareholders, or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this DRHP:

Date of transfer	Name of transferor	Name of transferee	No. of securities (1) (2)	Nature of securities	Face value of securities (1) (₹)	Price per security (1) (2) (₹)	Nature of transaction	Nature of consideration	Total consideration (3) (in ₹ million)
June 17, 2022	Vijaykumar Raghunandan prasad Agrawal	Namrata Nimai Agrawal	1,500	Equity Shares	2	Nil	Gift	Other than cash	Nil
June 17, 2022	Vijaykumar Raghunandan prasad Agrawal	Laxmi V. Bansal	1,500	Equity Shares	2	Nil	Gift	Other than cash	Nil
June 17, 2022	Vijaykumar Raghunandan prasad Agrawal	Avadh Harkishanka	750	Equity Shares	2	Nil	Gift	Other than cash	Nil
<b>Weighted average cost of acquisition (WACA) #</b>									Nil

(1) Adjusted for split of equity shares from face value of ₹ 10 each to face value of ₹ 2 each pursuant to Board resolution dated June 17, 2022.

(2) Adjusted for bonus shares allotted in the ratio of two equity shares for every one equity share pursuant to Board resolution dated September 18, 2022.

(3) The secondary transfers mentioned above were in the nature of a gift and hence there was no consideration received / paid for the aforementioned transactions and hence the WACA is Nil.

d) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹  • )	Cap price* (i.e. ₹  • )
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA^	•  times	•  times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA^^	•  times	•  times
Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter /promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction			
- Based on primary issuances	Nil	•  times	•  times
- Based on secondary transactions	Nil	•  times	•  times

Note:

^There were no primary / new issue of shares (equity/ convertible securities) transactions in last 18 months from the date of this Draft Red Herring Prospectus.

^^ There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months



from the date of this Draft Red Herring Prospectus.

\* To be updated at Prospectus stage.

**Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the three months ended June 30, 2022 and the Fiscals 2022, 2021 and 2020.**

[●]\*

\*To be included on finalisation of Price Band

**Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Offer.**

[●]\*

\*To be included on finalisation of Price Band

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Information” on pages 33, 174, 308 and 233, 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

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

The Board of Directors  
Survival Technologies Limited (formerly Survival Technologies Private Limited)  
1401, 14th Floor, Naman Midtown,  
Senapati Bapat Marg,  
Dadar West, Mumbai,  
Maharashtra – 400 028

Dear Sirs/Madams,

#### **Statement of Tax Benefits available to Survival Technologies Limited and its shareholders under the Indian tax laws (“Statement”)**

1. We hereby confirm that the enclosed Annexures 1 to 2 (together, the “Annexures”), prepared by Survival Technologies Limited (‘the Company’), provides the special tax benefits available to the Company and to the shareholders of the Company under
  - the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24, presently in force in India;
  - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended from time to time, the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) as amended by the Finance Act 2022, i.e., applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24, presently in force in India.

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

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that this 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 the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation proposed initial public offering of equity shares (the “IPO”) by the Company.
4. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely in connection with the proposed IPO and is not to be used, referred to or distributed for any other purpose.

**For S R B C & CO LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 324982E/E300003

**For Lodha & Co**  
**Chartered Accountants**

ICAI Firm Registration Number: 301051E

**per Ravi Bansal**

Partner

Membership Number: 049365

UDIN: 22049365BGEZAR7653

Place of Signature: Mumbai

Date: December 27, 2022

**per R. P. Baradiya**

Partner

Membership Number: 44101

UDIN: 22044101BGFNWZ9120

Place of Signature: Mumbai

Date: December 27, 2022

**ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SURVIVAL  
TECHNOLOGIES PRIVATE LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS**

**I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’), as amended by the Finance Act 2022, applicable for Financial Year 2022-23 relevant to Assessment Year 2023-24**

**1. Special tax benefits available to the Company under the Act**

**Lower corporate tax rate under Section 115BAA**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(ia), 33ABA, 35(2AB), 80-IA etc.) The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company has already exercised the above option to avail benefit of lower tax rate.

**2. Special tax benefits available to Shareholders**

There are no special direct tax benefits available to the shareholders of the Company.

**NOTES:**

1. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2021-22 and accordingly, the special direct tax benefits, available for Financial Year 2022-23, are captured to the extent the same are relevant to a Company exercising such option.
6. This statement is intended only 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 tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

The Central Goods and Services Tax Act, 2017 (“CGST Act”), State Goods and Service Tax Act, 2017 (“SGST Act”), the Integrated Goods and Services Tax Act, 2017 (“IGST Act”), the Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 (“Tariff Act”), Foreign Trade Policy 2015-20 (“FTP”) and rules made thereunder (collectively referred to as “Indirect Tax Laws”)

**1. Special indirect tax benefits available to the Company under Indirect Tax Laws**

There are no special indirect tax benefits available to the Company

**2. Special indirect tax benefits available to shareholders of the Company under Indirect Tax Laws**

There are no special indirect tax benefits available in the hands of the shareholders of the Company for investing in the shares of the Company.

**Notes:**

1. This Annexure is based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
2. During the period from April 2021 to the date of Annexure, the Company is:
  - Eligible for the following exemptions / benefits in relation to export of goods which are in general available under the provisions of the Indirect Tax laws and hence may not be treated as special indirect tax benefits:
    - Duty drawback in terms of section 75 of Customs Act, 1962 read with Customs and Central Excise Duties Drawback Rules, 2017 and Notification No. 07/2020-Customs (N.T.) dated 28 January 2020
    - Refund of Input Tax Credit in respect of goods and services utilised for effecting export of goods under section 54 of CGST Act read with Rule 96A of CGST Rules, 2017
  - not claimed any exemption / benefit under the Indirect Tax laws apart from the benefits as mentioned above
  - not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy
3. The above Annexure covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
4. This statement is intended only 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 tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION-V - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Assessment of the heterocyclic and fluoro-organic compounds industry” dated December 23, 2022 (the “CRISIL Report”) prepared and issued by CRISIL Limited appointed on August 18, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at <http://survivaltechnologies.in/investor-relations>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant fiscal year.*

*While preparing its report, CRISIL Limited has also sourced information from publicly available sources, including our Company’s financial statements available publicly. For more information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose.” on page 55. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 20.*

### GLOBAL MACROECONOMIC OVERVIEW

Global gross domestic product (“GDP”) growth is projected at 3.1% for 2022. S&P Global has lowered its growth forecasts for 2022 and 2023 and raised forecasts for inflation. Rising rates, increased European energy insecurity, and the lingering effects of COVID-19 are hitting growth almost everywhere; Asia-Pacific remains a relative outperformer.

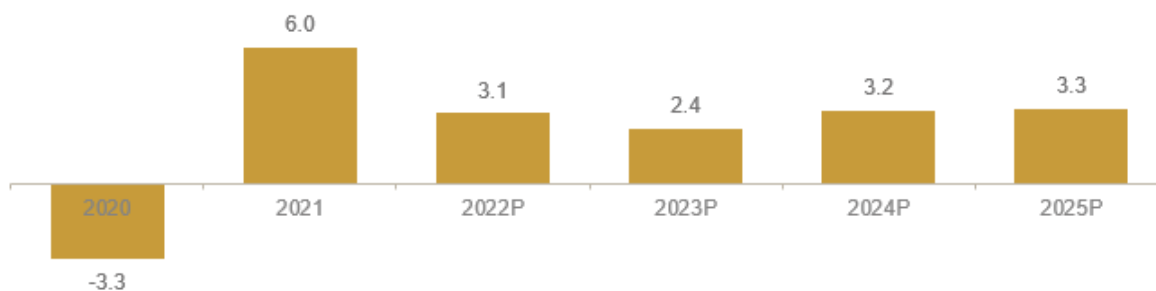
S&P Global expect the Russia-Ukraine war’s economic impact to peak in the year 2022, but drag on amid on-again, off-again fighting. Financial conditions are currently tightening as central banks raise rates quickly, foreshadowing slower growth. Most leading and sentiment indicators are pointing toward slower growth as well.

Eurozone is forecast to take the biggest hit to growth from the war, given its proximity to the war zone and higher exposure to volatile global energy costs. S&P Global expects a sharp slowdown in eurozone growth in near term. A sharp slowdown in eurozone growth is imminent. An unprecedented deterioration in the terms of trade has pushed inflation to record highs.

Most Asia-Pacific countries have internalised COVID-19 and seem to be gaining pace in industrial activity. But they remain affected by volatile commodity prices. Core inflation has shot up in some Asia-Pacific economies, less so in others. It has soared in Australia, South Korea, and New Zealand and has remained high in India. On the other hand, it has stayed low in China and Japan and modest in Hong Kong, Indonesia, Malaysia, Taiwan, and Thailand.

## GDP Outlook for 2022 to 2025

### Expected global GDP growth rate (%)



Source: S&P Global Economics, Oxford Economics

## Trend in GDP Growth Across Major Economies

### GDP growth projection for major economies

Region	2021	2022	2023P	2024P	2025P
US	5.7%	1.6%	0.20%	1.6%	1.9%
Eurozone	5.2%	3.1%	0.30%	1.8%	1.7%
UK	7.4%	3.3%	-0.5%	1.4%	1.6%
China	8.1%	2.7%	4.7%	4.8%	4.7%
Japan	1.7%	1.6%	1.4%	1.4%	1.3%
India	-6.6%	8.7%	7.3%	6.5%	6.7%
Brazil	5.0%	2.5%	0.6%	2.0%	2.1%
Russia	5.5%	-8.5%	3.0%	1.0%	1.3%

Note: Fiscal year for India's GDP growth outlook, calendar year for other countries

Source: S&P Global, CRISIL Research

## Sharp Monetary Tightening Puts the Brakes on Global Growth

Central banks are reversing their relaxed policy stance in response to continuing cost pressures in global supply chains, amplified after Russia's military actions in Ukraine destabilized energy, food, and other key commodity markets. As economic growth slows and financing conditions become tighter, higher interest rates, persistent inflation and renewed consumer caution could push the US, and potentially Europe, into a recession, likely in the year 2023.

## Inflation, Energy Security and Geopolitical Uncertainty are Risks

Persistent supply-side price pressures in the food and energy markets may fuel inflation, and the evolving repercussions of the Russia-Ukraine conflict could undermine global trade and economic growth. Other notable risks stem from governments prioritizing energy security and affordability over sustainability in the short term.

### CPI inflation projection (annual percentage change)

Region	2022	2023P	2024P
US	8.3	3.7	1.6
Europe			
Eurozone	8.2	5.2	2.2
Germany	8.4	7.0	2.2
France	6.1	3.3	1.9
Italy	7.8	4.3	1.9
Spain	10.1	5.6	1.3
UK	9.5	5.8	1.6
Asia-Pacific			
China	2.2	2.4	2.2

*P: Projected,*

*Source: S&P Global*

### **Inflation Relief Packages Unveiled by US and European Economies in the Year 2022 to Combat Inflation**

**US:** The US Congress passed the Inflation Reduction Act, 2022 committing US\$370 billion dedicated to curbing harmful emissions and promoting green technology. The Act also aims to help individuals who need better healthcare benefits and financial stability in times of inflation, in addition to reducing the effects of inflation.

**France:** France unveiled a Euro 20 billion anti-inflation package to assist struggling people deal with rising energy and food prices. The package includes increasing certain welfare payments and pensions by 4%, raising civil servants' salaries by 3.5%, fuel rebates by Euro 0.12 a litre from September to October 2022 and promoting private companies to provide employees with tax-free bonuses of up to Euro 6,000.

**Germany:** Germany unveiled a fresh Euro 65 billion inflation relief package to help households cope with the rising prices. The package includes cheaper public transportation, one-off payment of Euro 300 to pensioners to help them cover rising energy bills, and reduction in the tax on petrol.

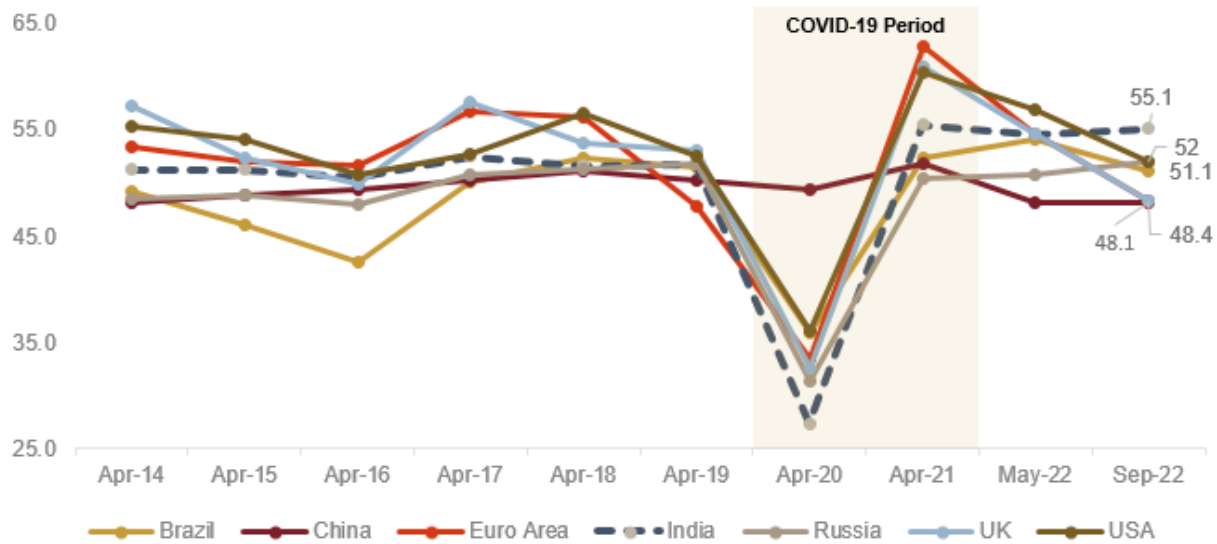
**Italy:** Italy approved a Euro 17 billion package to tackle inflation arising from high energy cost and consumer prices. The package includes cutting electricity and gas bills for low-income families, tax cuts and re-evaluation of pensions. It also aims to support farmers against drought.

### **Impact of COVID-19 on the Manufacturing Sector**

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



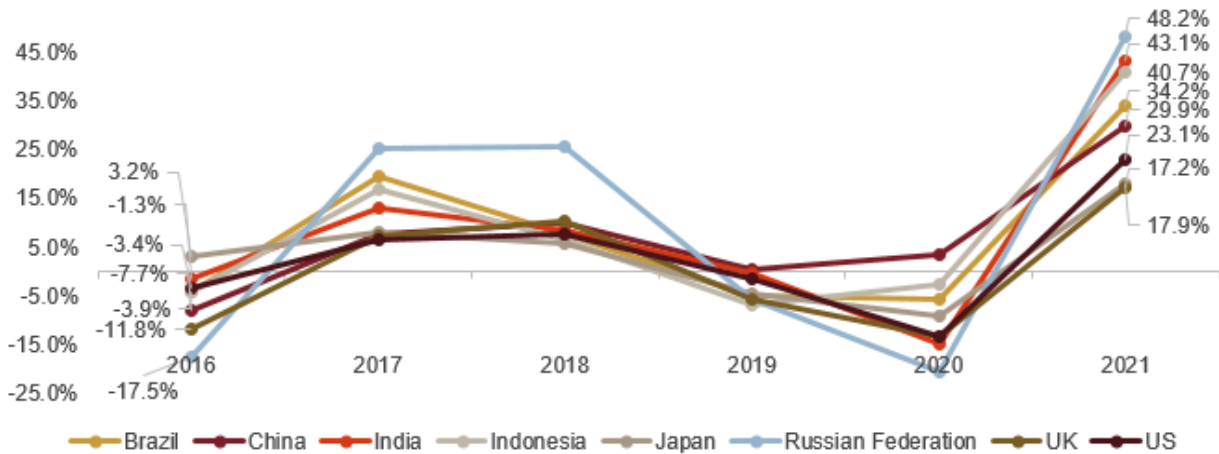
### Manufacturing PMIs



Source: S&P Global

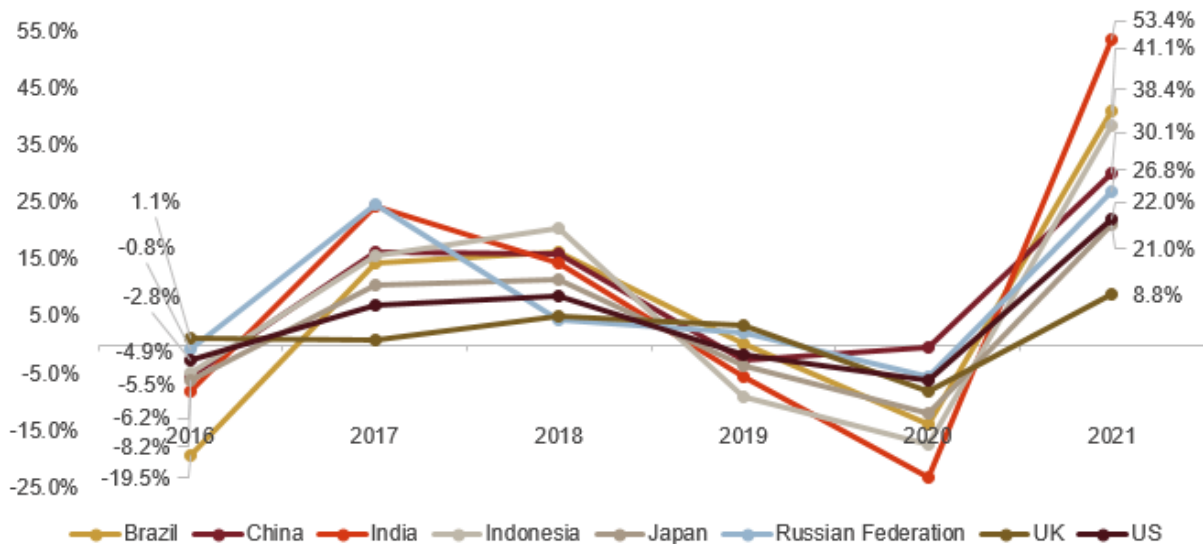
The Indian manufacturing industry had a strong start to 2023, with significant and accelerated increases in new orders and production. Following a decline in March, international sales increased steadily. India's PMI grew from 54.0 in March 2022 to 55.1 in September 2022. It marked the 15<sup>th</sup> straight month of expansion in the manufacturing sector due to growth in output and orders, on the back of continued easing of pandemic restrictions. Trade growth patterns for some key economies are represented below, highlighting very similar patterns for imports and exports.

### Annual growth (%) in exports



Note: Data for calendar year  
Source: UNCTAD

### Annual growth (%) in imports



Note: Data for calendar year  
Source: UNCTAD

#### Changing Outlook on Manufacturing in China

With the recent pandemic, companies have begun to express concerns about manufacturing in China. The pandemic, which originated in Wuhan, disrupted supply chains and crippled business production the world over. The trade war between the US and China has also prompted many businesses to rethink their global supply chains. The pandemic highlighted to many multinational corporations how much they relied on Chinese manufacturing, *i.e.*, from raw materials to contract manufacturing to production facilities, prompting many to seek alternative locations. In addition, driven by the impact of COVID-19 on the global supply chain, and geopolitical tensions, global manufacturers are looking to diversify and expand their sourcing of products from different manufacturers across jurisdictions to minimize operational disruptions.

#### India to Benefit from China's Downturn

COVID-19 pandemic highlighted the risk of high dominance of China in global supply chain and led to China+1 strategy taking shape. This creates an opportunity for Indian manufacturers, which have a cost advantage. This is expected to support the growth momentum for key end-user industries and augurs well for the specialty chemicals market.

#### Competitiveness of India versus China

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

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

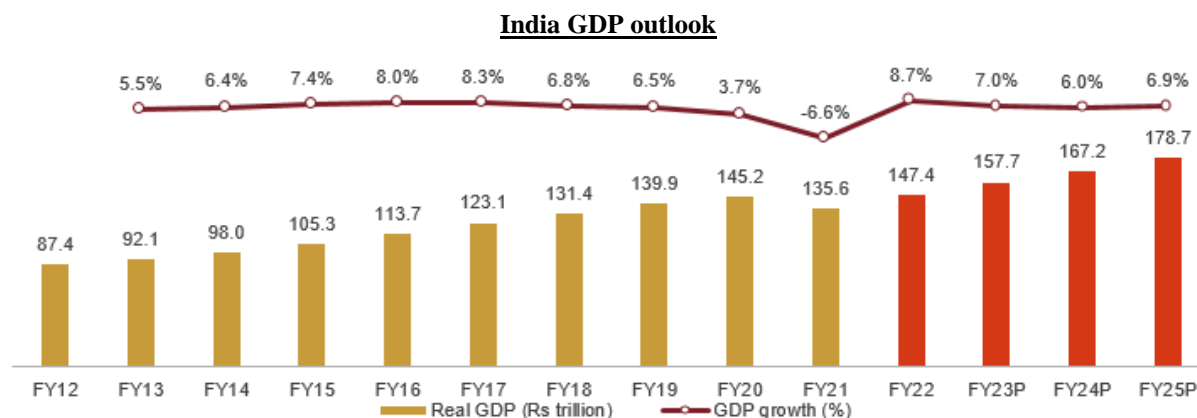
Several Indian companies are looking to set up global-sized plants to cater to growing domestic and global demand. The government is also supporting manufacturing in India. Initiatives such as Make in India, corporate tax reduction to 25%, and petroleum, chemicals and petrochemicals investment regions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

Due to India’s competitive advantage in multiple industries, favourable production characteristics, a favourable business environment and positive government policies, India is expected to be the next best prospect to benefit from this changed position. The government has implemented production-linked incentive (“PLI”) programmes for a variety of industries, such as textiles and electronics, as well as boosting import levies on several products. Global macro tailwinds in some industries such as textiles, speciality chemicals, pharmaceuticals, metals, and electronic manufacturing, along with sensible government reforms, are projected to put India on a sustainable economic path.

## INDIAN MACROECONOMIC OVERVIEW

### India to Remain Fastest Growing Economy Despite GDP Growth of 7% in 2023

India is expected to grow at a faster clip than its peers, driven by stronger domestic demand. Investment prospects are optimistic given the government’s capex push, progress of the PLI scheme, healthier corporate balance sheets, and a well-capitalized banking sector with low non-performing assets (“NPAs”). Real GDP growth projection for India has been recently to 7% this fiscal, with downside risks of heightened geopolitical tensions. It still expects India to remain the fastest-growing economy.



F: Forecast

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

Factors that will shape growth this fiscal and next:

- The global slowdown will impact domestic industrial activity through the exports channel;
- The one-time lift to contact-based services from domestic demand will abate next fiscal, but government capital expenditure will stay supportive; and
- Tightening domestic financial conditions will hurt growth next fiscal.

### The Economy’s Path from Pre-pandemic to Current Times

The growth outlook for 2023 is fettered by multiple risks. Global growth is projected to slow, as central banks in major economies withdraw easy monetary policies to tackle escalating inflation. This, together with high commodity prices, especially of oil (CRISIL expects Brent crude to average US\$ 95 to 105 per barrel in 2023), translates into negative terms-of-trade for India. At the same time, higher and broad-based inflation domestically will create a drag on consumption. Uncertainty due to the Russia-Ukraine conflict could put some of the private capex plans on the back burner. Higher input prices could also result in lower government capex, which has already seen fiscal space shrink with attention shifting to measures to fight rising inflation.

### Demand side (₹ lakh crore at constant prices)

	GDP	PFCE	GFCE	GFCF	Exports	Imports
FY20 (2 <sup>nd</sup> RE)	145.15	82.59	14.84	46.11	28.14	33.21
FY21 (1 <sup>st</sup> RE)	135.58	77.63	15.37	41.31	25.54	28.62
FY22 (PE)	147.35	83.77	15.77	47.84	31.74	38.78
FY22 over FY20 (%)	1.49%	1.43%	6.27%	3.75%	12.79%	16.77%

PFCE: Private final consumption expenditure; GFCE: Government final consumption expenditure; GFCF: Gross fixed capital formation

PE: Provisional estimates, RE: Revised estimates

Source: NSO, CRISIL Research

### Supply side (₹ lakh crore at constant prices)

	GVA	Agri and allied	Mining	Manufacturing	Electricity, gas, etc.	Construction	Trade, hotels, etc.	Financial services, real estate, etc.	Public admin and others
FY20 (2 <sup>nd</sup> RE)	132.19	19.82	3.21	22.61	3.00	10.38	26.89	28.97	17.27
FY21(1 <sup>st</sup> RE)	125.85	20.48	2.94	22.47	2.89	9.62	21.47	29.61	16.33
FY22 (PE)	136.05	21.09	3.27	24.70	3.11	10.73	23.85	30.87	18.38
FY22 over FY20 (%)	2.92%	6.41%	1.87%	9.24%	3.67%	3.37%	-11.31%	6.56%	6.43%

PE: Provisional estimates, RE: Revised estimates

Source: NSO, CRISIL Research

## Macroeconomic Indicators

### Key Projections

	FY17	FY18	FY19	FY20	FY21	FY22	FY23P	FY24P
Real GDP growth (%)	8.3	6.8	6.5	3.7	-6.6	8.7	7.0	6.0
CPI <sup>1</sup> (% , average)	4.5	3.6	3.4	4.8	6.2	5.5	6.8	5.2
CAD <sup>2</sup> /GDP (%)	-0.7	-1.8	-2.1	-0.9	0.9	1.2	3.0	2.7
FAD <sup>3</sup> /GDP (%)	3.5	3.5	3.4	4.6	9.2	6.9	6.4	9.0
Exchange rate (Rs/\$, March-end)	65.9	65	69.5	74.4	72.8	76.2	78.0	82.0
10-year G-sec yield (% , March-end)	6.8	7.6	7.5	6.2	6.2	6.8	7.5	7.4

E: Estimated; P: Projected

<sup>1</sup>Consumer price index; <sup>2</sup>Current account deficit; <sup>3</sup>Fiscal deficit

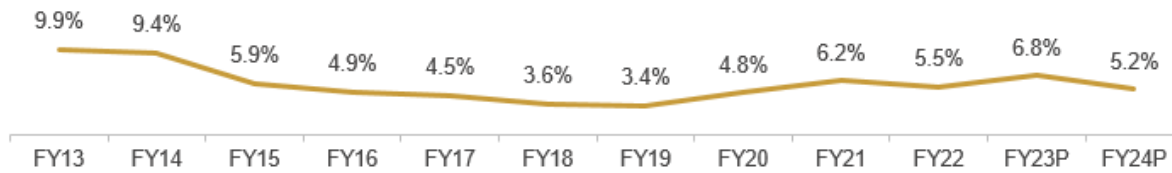
Source: CSO, RBI, CRISIL Research

## Inflationary Pressures Set to Rise and Broaden this Fiscal

Headline Consumer Price Index (“CPI”) inflation moderated to 5.5% on-year in 2022 from 6.2% in the previous Fiscal. The fall was largely driven by food, which fell sharply to 3.8% from 7.7%. The other two components, namely fuel (11.3% vs 2.7%) and core (6.0% vs 5.5%), saw inflation rise. Fuel inflation will remain high due to the sharp rise in crude oil prices. Further, it is expected that CPI inflation will rise to 6.8% on average this Fiscal. The Russia-Ukraine war has dealt a severe blow to energy and food supplies. Energy prices are projected to rise over 50% this Fiscal, and non-energy prices 20%, according to the World Bank latest commodity outlook.

The average crude oil price in the first half of 2023 was US\$ 99.98 per barrel. Further, it is expected that Brent crude will average US\$ 95 to US\$ 105 per barrel in 2023 compared with US\$ 80 per barrel in 2022. However, there is an upside risk as crude oil prices hinge on the ongoing conflict between Russia and Ukraine and the OPEC supply scenario.

### CPI inflation development (%. year on year)



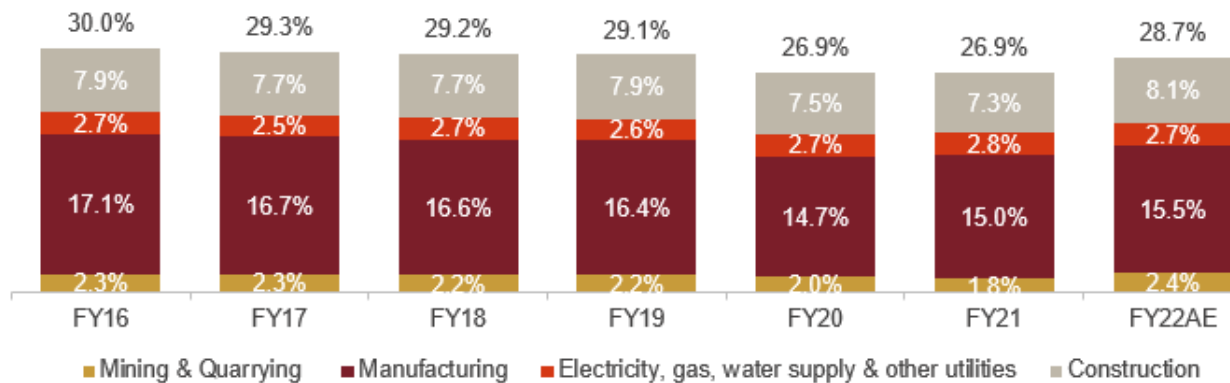
P: Projected

Source: CSO, CRISIL Research

### **Industrial Sector to grow 11.8%, Contribute 29% to GDP in 2022**

In 2021, the industrial sector accounted for 26.9% of nominal gross value added (“GVA”), at current prices. According to the NSO's advance forecasts for 2022, the industrial sector was predicted to rebound and grow at 11.8%, increasing its contribution to GDP to 28.7% in 2022. Manufacturing dominates the industrial sector, accounting for 15.0% of nominal GVA in 2021. Manufacturing is anticipated to grow 9.9%, mining and quarrying 11.6%, construction 11.5%, and electricity, gas and water delivery 7.5% in 2022, based on advance estimates released by the NSO. This improvement comes after an industrial contraction in the previous Fiscal.

### Share of industrial and its components in GVA



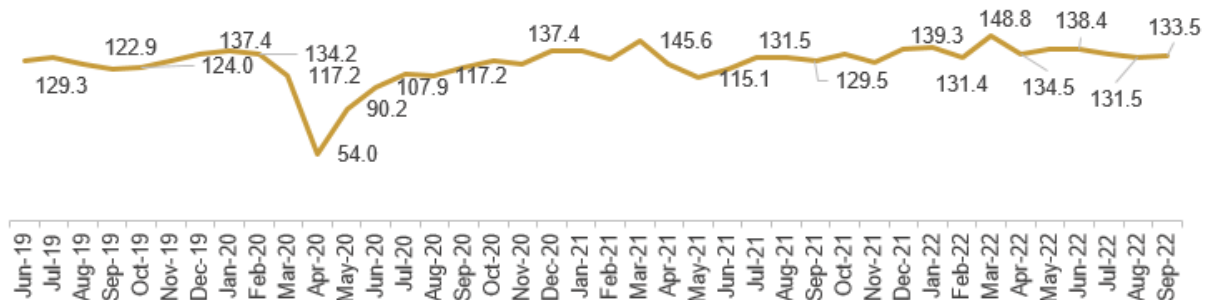
AE: Advance estimates, Note: Advance estimates for FY22; Data at current prices

Source: National Accounts Statistics, 2021

### **Index of Industrial Production (“IIP”) Exhibited Decline**

IIP declined 0.8% on-year in August 2022. The decline in IIP was driven by the manufacturing sector. Export-oriented sectors were hit by slowing global growth. Domestic-oriented sectors like consumer non-durables and infrastructure and construction goods also witnessed falling activity. IIP exhibited recovery in September. All sectors have contributed to the increase in IIP data during September.

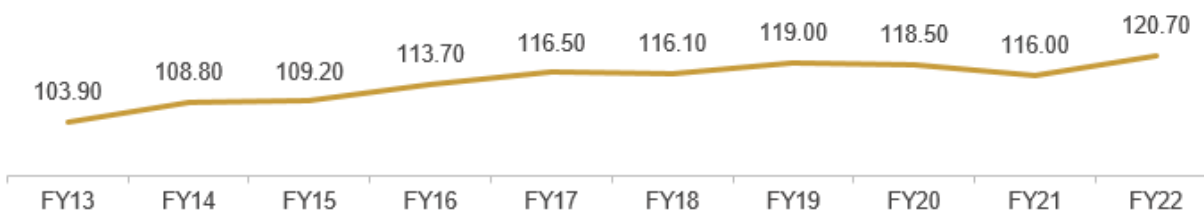
### Value of IIP



Source: Ministry of Statistics and Programme Implementation

Note: Data for months of June, July and August are provisional

### IIP (manufacture of chemicals and chemical products)

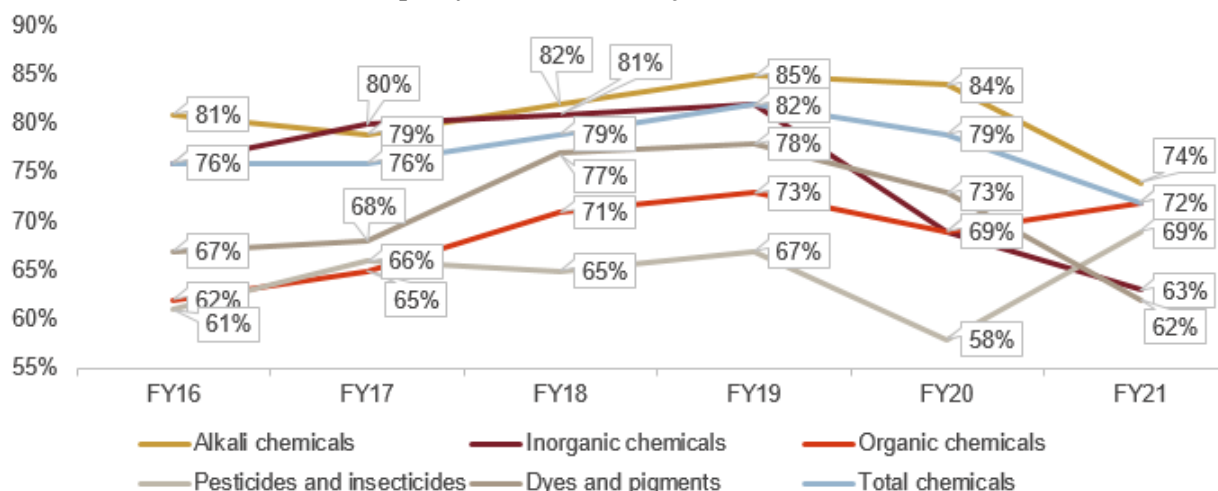


Source: Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers

### **Indian Chemical Sector Expected to Grow 1.5x by 2025**

India is the world's sixth-largest chemical manufacturer, and accounts for 3.4% of worldwide chemical production. The Indian chemical industry was valued at US\$ 178 billion in 2019 and is expected to grow to US\$ 304 billion by 2025. The country's chemical sector is extremely diverse, with over 80,000 products, over 2 million people employed and a strong foundation for innovation because of a network of 200 national laboratories and 1,300 research and development (“R&D”) centres.

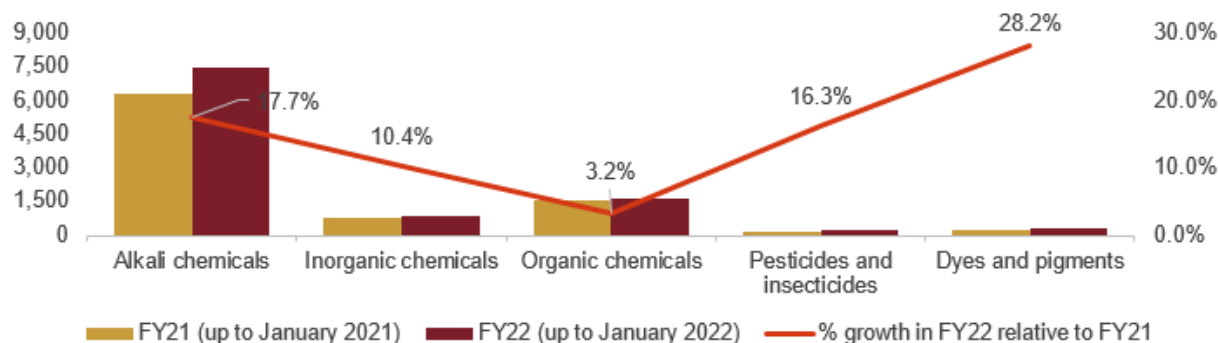
### Capacity utilisation for major chemicals



Note: Based on master production records (“MPRs”) received by the department of Chemicals and Petrochemicals from manufacturers under large- and medium-scale units only

Source: Department of Chemicals and Petrochemicals

### Production of major chemicals ('000 MT)



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

Source: Department of Chemicals and Petrochemicals

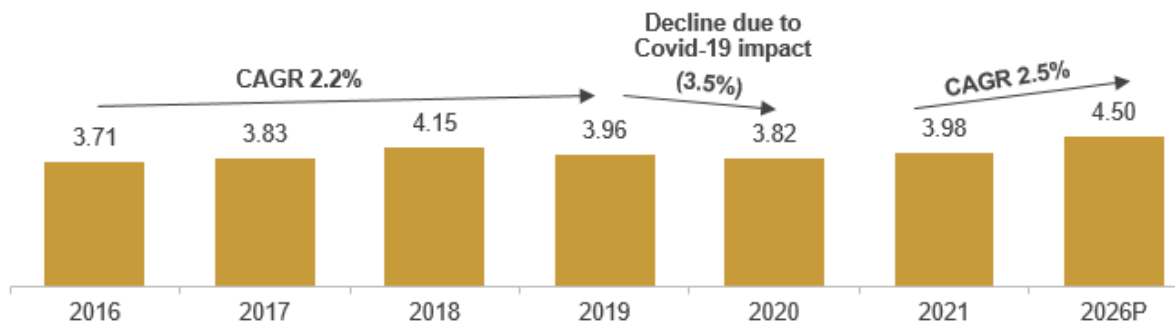
Production of all major chemicals viz. alkali chemicals, inorganic chemicals, organic chemicals, pesticides & insecticides, and dyes & pigments has increased during the period compared to the last year.

### PLI Scheme for Chemicals

The Department of Chemicals and Petrochemicals (“DCPC”) has identified around 100 chemicals / intermediates imported in large value, and these chemicals are used in manufacturing products that have substantial export potential. These 100 chemicals are proposed to be supported under the production linked incentive (“PLI”) scheme for the chemical sector. The proposed PLI scheme aims at incentivising domestic production of intermediates and raw materials for agrochemicals, dyestuffs, and pharmaceuticals with emphasis on domestic value-addition. While the PLI scheme for basic chemicals has not been introduced yet, the government has introduced PLI schemes cumulatively worth approximately ₹ 219.40 billion as incentives for manufacturing of Key Starting Materials (“KSMs”) / Drug Intermediates (“Dis”), Active Pharmaceutical Ingredients (“APIs”) and other products in India. In February 2022, the Minister of Chemicals and Fertilizers said the government is planning to announce a PLI scheme for the chemical sector to promote domestic production and exports and solve the trade deficit problem.

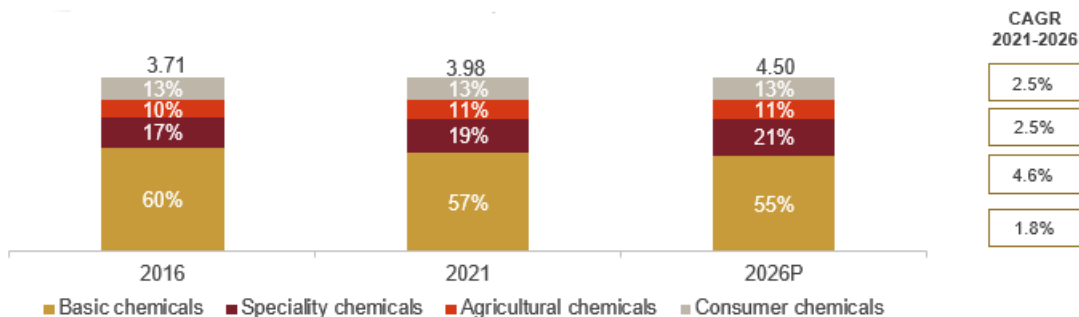
### GLOBAL CHEMICAL AND SPECIALITY CHEMICAL INDUSTRIES

**Global chemical industry size (US\$ trillion)**



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

**Global chemical industry by segment (US\$ trillion)**



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

### India’s Positioning in the Global Chemical Industry

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

### Chemical exports

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

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

### Chemical imports

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

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

The size of the Indian chemical industry, excluding fertilisers and pharmaceuticals, was US\$ 115 to US\$ 120 billion in Fiscal 2021. Including fertilisers and pharmaceuticals, it was \$160 to \$180 billion.

### **Global Speciality Chemical Market to Log 4% to 5% CAGR by 2026**

Speciality chemicals are low-volume, high-value chemicals with specific applications classified based on end-user industries. They can be single-chemical formulations or entities whose composition affects how the end-product performs and is processed. The major distinction between speciality chemicals and commodity chemicals is that speciality chemicals are produced through extensive R&D and typically are synthesized using multiple step reactions as compared to one or two steps in the case of commodity chemicals. A speciality chemical has only one or two primary applications, whereas a commodity chemical may have hundreds of varied applications. These high-value compounds are created via speciality chemistry and are employed in a variety of essential goods for consumers and business, including medications, agricultural chemicals and performance chemicals. In the speciality chemical industry, custom synthesis is a common service provided to customers.



### Comparison between commodity and speciality chemicals

Parameters	Commodity chemicals	Speciality chemicals
Type	Single basic chemicals; starting materials for the chemical industry	Formulations of chemicals containing one or more fine chemicals as active ingredients
Sub-categories	Petrochemicals, basic chemicals, heavy organic and inorganic chemicals, (large volume) monomers, commodity fibres, and plastics	Adhesives, agrochemicals, biocides, catalysts, dyestuffs and pigments, enzymes, electronic chemicals, flavours and fragrances, food, and feed additives
Pricing indications	Rs 30-200/kg	Rs 500-800/kg for usual speciality chemicals, with potential for significantly higher per kg pricing for niche products
Production	High volume production (in thousand ton/year); mass produced in continuous-process plants, using standardised reactions	Produced in limited quantities (10-500 ton/year); blended in customised batches
Manufacturing steps	Limited steps (1 or 2)	Multiple steps (2 or more); for synthesis of intermediates and APIs, steps can range between 5 and 20
Usage	Based on their versatility as raw materials	Based on specific functionality

Source: CRISIL Research

Barriers to entry in the speciality chemical industry are typically high. The specialised nature of products leads to significant differentiation. Substantial R&D requirements, technical know-how, capital intensity service capabilities, customer relationships, and engineered or regulated specifications also create important barriers to entry. Although these barriers are not homogeneous across the industry, most speciality chemical companies enjoy the benefits of one or more of them.

The speciality chemicals industry was valued at US\$ 750 to US\$ 770 billion at the global level in 2021. The segment clocked 3% to 4% Compound annual growth rate (“CAGR”) over 2016 to 2021. Agrochemicals and performance chemicals contribute the highest to the global speciality chemical revenue pie, accounting for 8% to 10% share each in 2021. The use of agrochemicals is rising because of increasing demand for agro products, led by population growth and improving propensity to buy owing to rapid industrialisation globally.

### Global speciality chemical industry classification (2021)

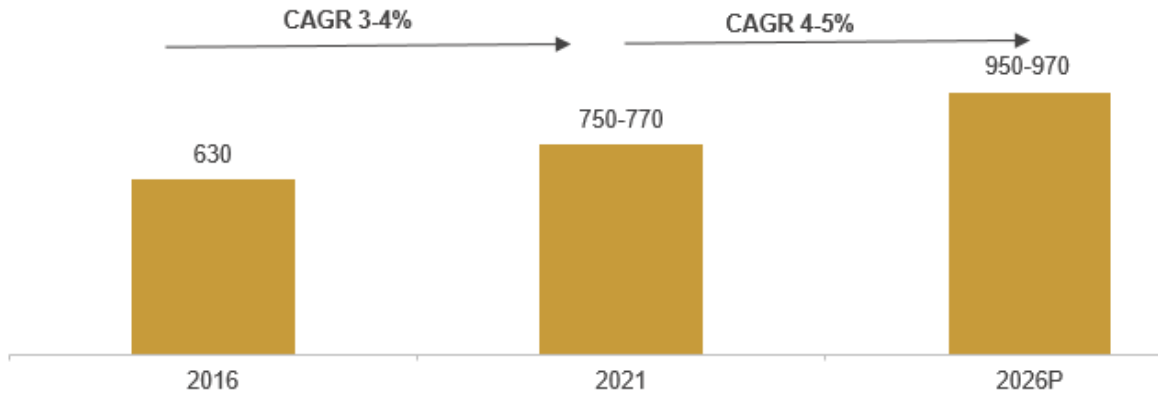
Speciality chemical classification	(% share in global market)
Agrochemicals	8-10%
Performance chemicals (includes multiple sub-segments)	8-10%
Construction chemicals	7-8%
Home and personal care chemicals	6-7%
Electronic chemicals	6-7%
Dyes and pigments	6-7%
Flavours and fragrances	5-6%
Polymer and plastic additives	4-5%
Food additives	4-5%
Pharma intermediates	4-5%
Textile chemicals	3-4%
Speciality coatings	3-4%
Oilfield chemicals	3-4%
Others	18-33%

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

Source: CRISIL Research

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

**Global specialty chemical market size (US\$ billion)**

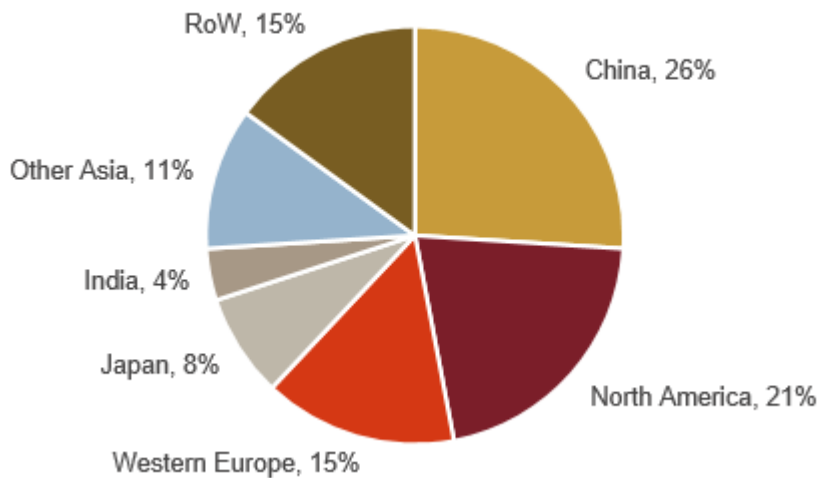


*P: projected | Data for each calendar year  
Source: CRISIL Research*

**APAC – Key Contributor to Global Specialty Chemical Market in 2021**

Developed countries (particularly the US) and emerging countries in Asia-Pacific (“APAC”) have seen a significant shift in the specialty chemical industry in the past two decades. This has mainly been due to stricter environmental norms in western countries, coupled with cost advantages enjoyed by companies in emerging markets in terms of logistics and labour. The shift is also because companies are relocating closer to demand centres and optimising their supply chains. In 2021, APAC accounted for the majority of the global specialty chemical market, with a share of 48% to 50%, followed by North America and Western Europe.

**Market share of key countries in specialty chemicals in 2021**

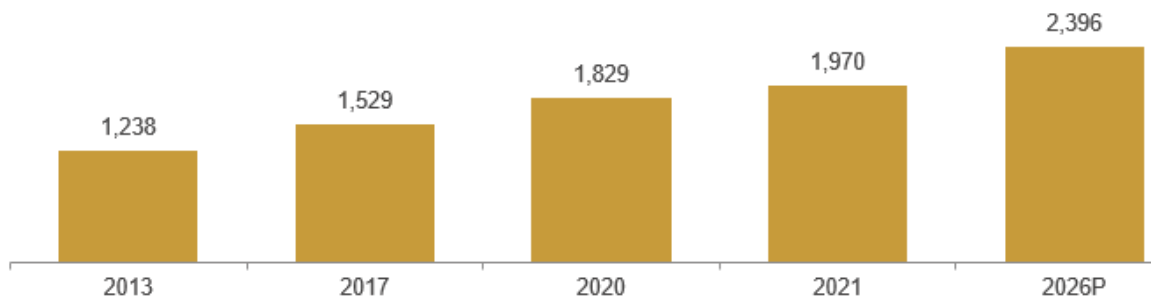


*Source: CRISIL Research*

## China's Chemical Industry Performance

### Growth of China's chemical industry (US\$ billion)

CAGR: 2013-2021: 6.0%  
CAGR: 2021-2026P: 4.0%



*P: projected | Data for each calendar year*

*Source: CRISIL Research, Cefic (European Chemical Industry Council)*

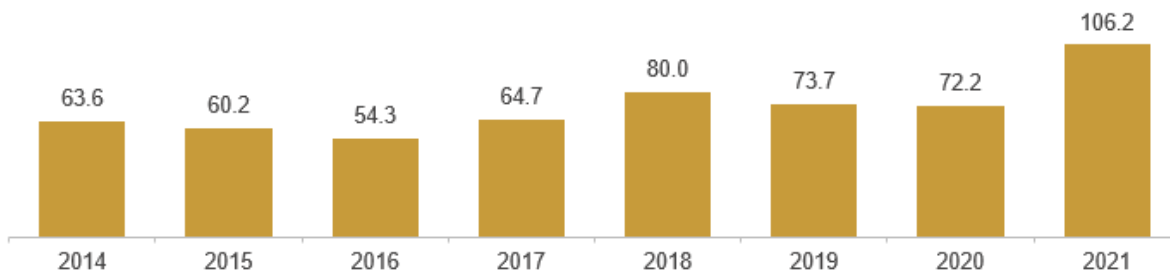
The Chinese chemical industry logged 6% CAGR over 2013 to 2021. The industry is expected to clock a relatively slower CAGR of approximately 4% over 2021 to 2026. Chemical demand growth is expected to taper in the consumer goods and electronics industries. Meanwhile, the automotive sector is expected to drive demand.

### **China's Speciality Chemical Market is Eroding**

China's speciality chemical market has been on a downtrend in recent years, primarily because of environmental norms introduced by the government which led to the closure of several chemical plants as well as recent global geo-political tensions with the US and most corporates either planning or in the process of implementing supply chain diversification strategies.

The Chinese government started implementing stricter environmental protection norms from January 2015 to control pollution and has imposed strict penalties on polluting industries, including chemicals. As a result, capital and operating expenditures of chemical companies are rising, making the output less competitive in the export market. China's chemical exports have been on a downtrend since 2015. In 2017, approximately 40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits. While exports rose in 2017 and 2018, as most plants restarted production, the trend has again turned south over the past two years. Domestic demand is also declining because of slowing economic growth. China's economy is expected to grow at a relatively slow pace in the coming years, resulting in reduced domestic demand.

### Trend in China's chemical exports (US\$ billion)



*Note: Data for each calendar year*

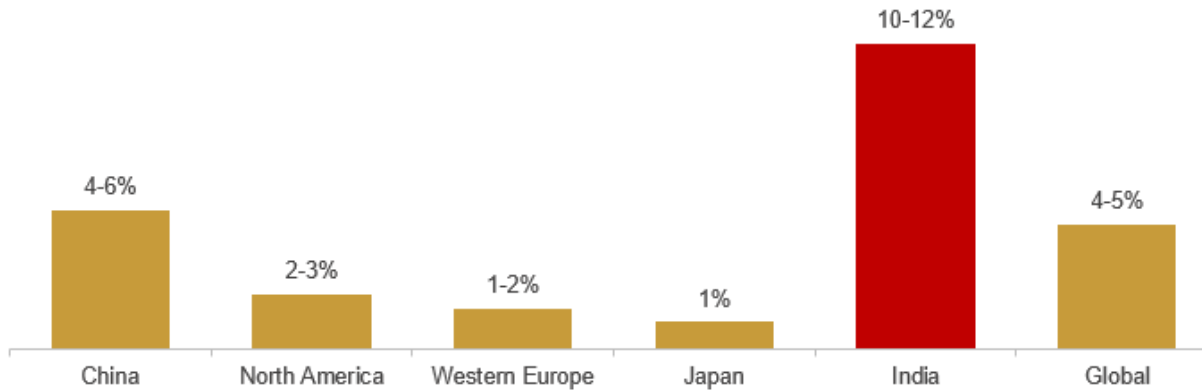
*Source: UN Comtrade. Export of goods under HS codes 28 and 29 considered*

### **Indian Market Expected to Grow Sharply as Compared to Other Regions**

By region-wise demand, India's speciality chemical industry is expected to post 10% to 12% CAGR over 2021 to 26 owing to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China. In contrast, markets such as the Americas, Europe and Japan are expected to clock

less than 3% CAGR over the next five years because of industry saturation in these regions. China’s speciality chemical industry saw historic growth rates of approximately 20% and above until 2013, driven by a low-base effect. It exhibited a moderate CAGR of 9% to 10% over 2013 to 2021 and is expected to witness a relatively slow CAGR of 4% to 6% over 2021 to 2026.

**Region-wise growth in speciality chemicals (2021 to 2026, CAGR)**

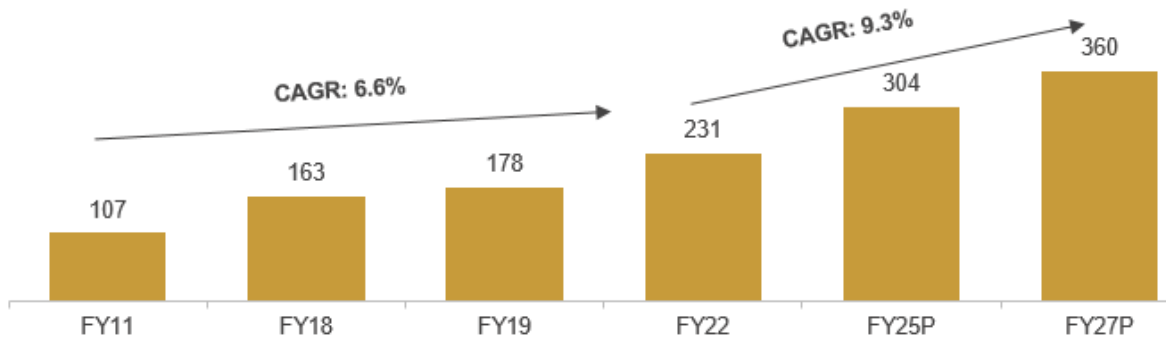


Source: CRISIL Research

**INDIAN CHEMICAL AND SPECIALTY CHEMICAL INDUSTRIES**

**Indian Chemical Industry**

**Indian chemical industry development (US\$ billion)**



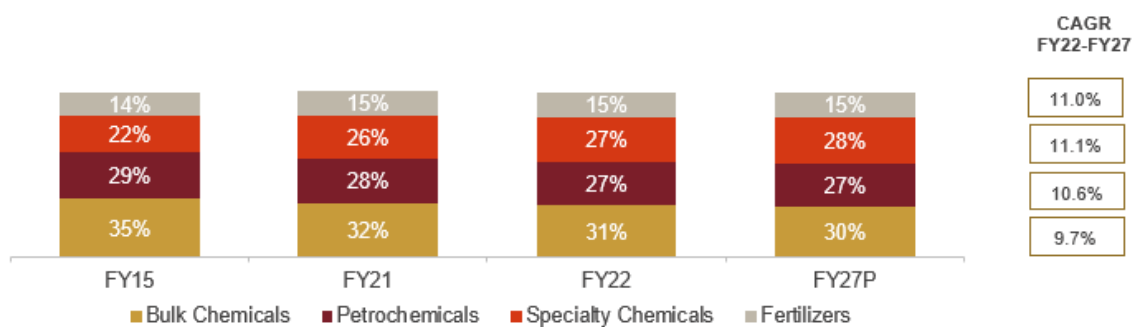
Note: Market size including (Biotech, Pharmaceuticals), Market size is based on consumption

P: Projected

Source: Department of chemicals and petrochemicals

The Indian chemical industry is a key constituent of the country’s economy, accounting for 2.28% of the GVA (including pharmaceuticals) for all economic activities in 2020 compared with 2.23% in 2015. In 2020, it ranked sixth in the world in terms of revenue (excluding pharmaceuticals) and accounted for 2.7% of the global chemical industry compared with 2.5% in 2010. The Indian chemical industry is expected to double at 9.3% CAGR over 2019 to 2025.

### Indian chemical industry by sub-segments



Note: Segments excluding Pharmaceuticals

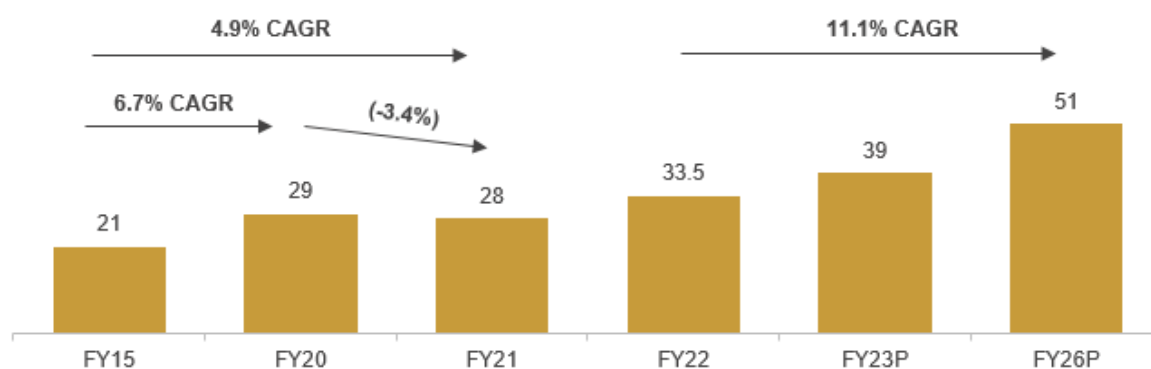
P: Projected

Source: CRISIL Research

### Indian Specialty Chemical Industry

The Indian specialty chemicals industry, accounting for approximately 26% of the overall chemicals industry (excluding pharmaceuticals), was worth US\$ 29 billion in 2020. The industry expanded at 6.7% CAGR over 2015 to 2020, driven by an increase in domestic offtake from various end-user industries and rising exports. However, in 2021, the industry declined 3.4% on-year because of a slowdown in economic activity and the consequent decline in demand from end-user industries. The industry exhibited recovery in 2022 with an estimated worth of US\$ 33.5 billion. The Indian specialty chemical industry is expected to reach \$51 billion by 2026, growing at 11.1% CAGR over 2022 to 2026.

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



P: Projected

Note: Market size is based on consumption

Source: CRISIL Research

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

<b>Segments</b>	<b>Market value (\$ billion)</b>	<b>Market share %</b>
Dyes and pigments	5.36	16.0%
Paints and coatings	4.52	13.5%
Agrochemicals	4.86	14.5%
Specialty polymers	2.85	8.5%
Plastic additives	1.34	4.0%
Home care surfactants	1.34	4.0%
Construction chemicals	1.01	3.0%
Textile chemicals	1.01	3.0%
Flavours and fragrance	0.67	2.0%
Water chemicals	0.67	2.0%
Cosmetic chemicals	0.67	2.0%
Paper chemicals	0.67	2.0%
Others	8.38	25.0%

Source: CRISIL Research

Note: CRISIL Research considers personal care ingredients, polymer additives, water chemicals, textile chemicals, construction chemicals, surfactants, and flavours and fragrances as specialty chemical categories.

The specialty chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications, as well as various client and regulatory approvals that are required to be obtained.

#### **Favourable Global Factors**

China, a major player in commodity chemicals, has seen reduced focus on specialty chemicals. China's specialty chemicals market has seen a downturn in recent years due to various factors. Most prominent being the introduction of stringent environmental norms, which has led to the shutdown of several chemical plants. Also, the Chinese government has mandated the construction of compulsory effluent treatment plants and imposed green tax on the chemicals industry to combat pollution. This coupled with increasing wage costs are pushing the capex and opex costs upwards, making Chinese chemical companies less competitive in the export market. Going forward, these factors are expected to play out in favor of India's specialty chemicals industry, since exports will trend up over the next few years.

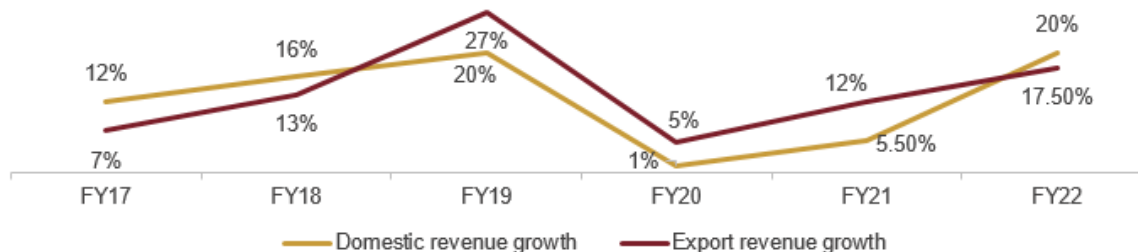
India is well-positioned to drive growth in the specialty chemicals industry, given its abundant supply of labour, land, feedstock, and established legal and regulatory framework. Indian companies with strong safety, health and environment measures, robust R&D and project management, and integration are well-poised to leverage opportunities in this space.

#### **Capex in Specialty Chemicals to Increase 50% on-year in 2023**

A revival in domestic demand and continuing robust exports will spur a 50% on-year increase in the capex of specialty chemicals manufacturers in 2023 to ₹ 60,000 million to ₹ 62,000 million. That would also be well above the ₹ 50,000 million spent before the pandemic in 2020, a CRISIL Ratings study of 106 rated specialty chemicals manufacturers, which account for a fourth of the sector's annual revenue of approximately ₹ 30 billion, shows.

Export growth is expected to accelerate to 17% to 18% from 12% to 13% in 2021, owing to the competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. In addition, owing to the impact of the pandemic on the global supply chain and geopolitical tensions, suppliers are looking to diversify and expand sourcing of products from different manufacturers across economies, including India, to minimise disruption on their operations. Domestic growth is likely to surge to approximately 20%, riding on strong demand from agrochemicals, fast-moving consumer goods ("FMCGs"), pharmaceutical and textile sectors, as well as a rise in discretionary spend.

### Domestic and export revenue growth development of Indian specialty chemical companies



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

Source: CRISIL Research

#### Key Growth Drivers for the Indian Chemicals Industry

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

#### OVERVIEW OF HETEROCYCLIC AND FLUORO ORGANIC PRODUCT GROUPS

##### Heterocyclic Product Group

Heterocyclic compounds are cyclic compounds containing one/more atoms of other elements along with carbon atoms. Hetero atoms contain an atom other than carbon, such as nitrogen, sulphur phosphorus, etc. Heterocyclic compounds are normally classified according to the size of the heterocyclic ring and the nature and number of the heteroatoms. Among different kinds of heterocyclic ring systems, nitrogen heterocyclic compounds are more abundant in nature as a part structural unit of important bioactive compounds such as antibiotics, vitamins, hormones, and so on. Heterocyclic compounds constitute nearly 50% of known organic compounds and nearly 90% of active pharmaceuticals. Several heterocyclic compounds have applications in agriculture as insecticides, fungicides, herbicides, pesticides, etc. They also find applications as sensitizers, developers, antioxidants, copolymers, etc. They are key structural components of many of the anti-cancer drugs available in the market today. They are used as vehicles in the synthesis of other organic compounds. They are also useful as flavouring agents and dyes, as well as intermediates in organic synthesis.

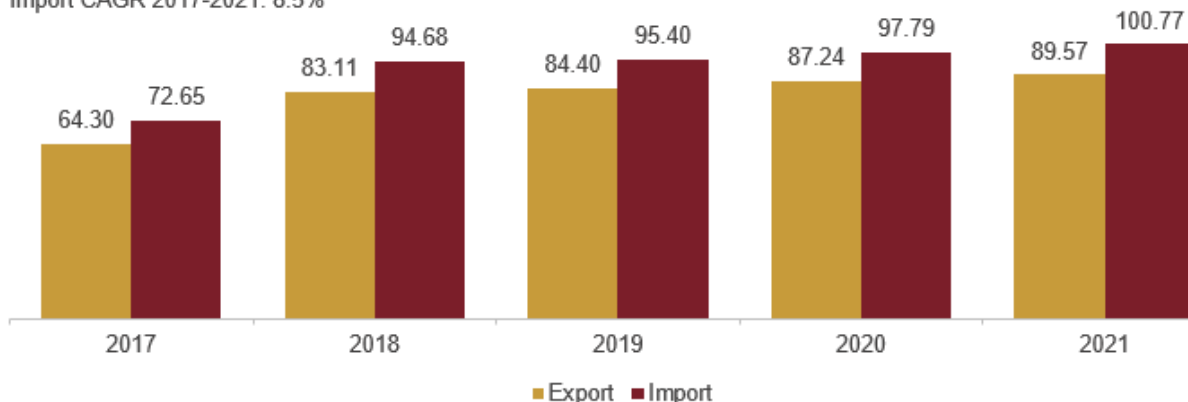
A significant portion of current research on organic semiconductors involves heterocyclic building blocks. Custom fine chemical producers are in a good position to facilitate scale-up of the technology with exceptionally high purity profiles given their historical expertise in manufacturing high purity chemicals using heterocyclic synthesis for the agriculture and pharmaceutical industries.

The global export and import of heterocyclic compounds were valued at US\$ 89.57 billion and US\$ 100.77 billion in 2021, and have grown at 8.6% and 8.5% CAGR, respectively, from 2017 to 2021.

### Global heterocyclic compound export and import (US\$ billion)

Export CAGR 2017-2021: 8.6%

Import CAGR 2017-2021: 8.5%



Source: CRISIL Research

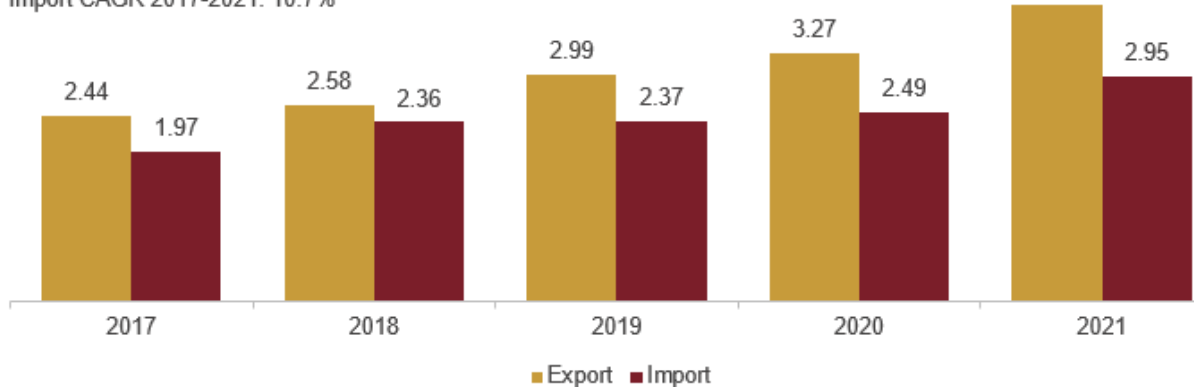
Note: Data for each calendar year

HS Code: 2932 (Heterocyclic compounds with oxygen hetero-atom only) and 2933 (Heterocyclic compounds with nitrogen hetero-atom only)

### India heterocyclic compound export and import (US\$ billion)

Export CAGR 2017-2021: 12.5%

Import CAGR 2017-2021: 10.7%



Source: CRISIL Research

Note: Data for each calendar year

HS Code: 2932 (Heterocyclic compounds with oxygen hetero-atom only) and 2933 (Heterocyclic compounds with nitrogen hetero-atom only)

India's exports and imports of heterocyclic compounds were valued at US\$ 3.90 billion and US\$ 2.95 billion in 2021, growing at 12.5% and 10.7% CAGR, respectively, from 2017 to 2021.

### **Fluoro Organic Product Group**

Organic fluoro compounds refer to organic compounds that have a carbon-fluorine bond. They are alternatively referred to as organofluoro or organofluorine compounds. Fluoro organic substances are extremely rare in nature; therefore, progress in this field mainly depends on the synthetic chemistry. Fluorinated compounds hold several properties that are highly attractive for industrial purposes, where they may act as reagents, solvents, building blocks, polymers, among others. The pharmaceutical and agrochemical industries are the two important sectors where these compounds are used, with a wide range of commercial drugs and pesticides belonging to this class of compounds. As pharmaceuticals, they find applications in antibiotics, as sedatives, and for cancer treatment; subsequently several of the top pharmaceutical drugs contain fluorine.



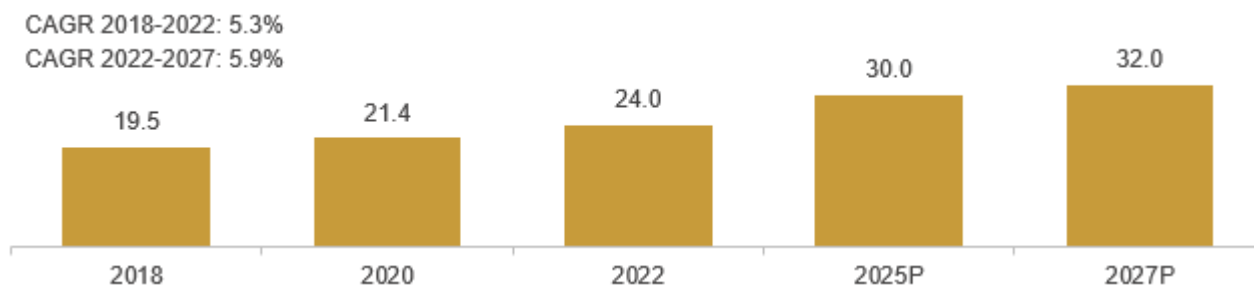
In the pharmaceuticals industry, fluoro pharmaceuticals are small organic drugs with at least one fluorine atom or a fluorinated functional group. Fluoro pharmaceuticals and fluoro agrochemicals find utilisation in drugs and pesticides — nearly 20% of pharma compounds and 35% of agrochemicals contain the fluorine atom. The field of pharmaceuticals and agrochemicals are interested by the application of fluorination. Fluorine compounds have proven to influence metabolic stability, lipophilicity, and the binding affinity of many drugs.

The expanding need for HVAC (heating, ventilation, and air-conditioning) technology from the construction industry is also one of the market drivers for the global fluorochemicals market. The demand for ventilation systems across buildings has increased because of rising commercial and residential construction activities in developing nations, which has also raised the need for fluorochemicals for use in refrigeration applications.

### Global Fluoro Organic Compound Market

The global fluoro organic compound market is valued at US\$ 24 billion in 2022, and expected to reach US\$ 32 billion by 2027, expanding at 5.9% CAGR from 2022 to 2027. The rise in refrigeration demand across a variety of end-user industries is a key reason driving the fluorochemicals market's expansion. Market expansion is supported by an increase in the number of organic fluorochemical applications in the healthcare, pharmaceutical, and automotive industries.

#### Global fluoro organic compound market growth trajectory (US\$ billion)



P: Projected

Note – Data for each calendar year

Source: CRISIL Research

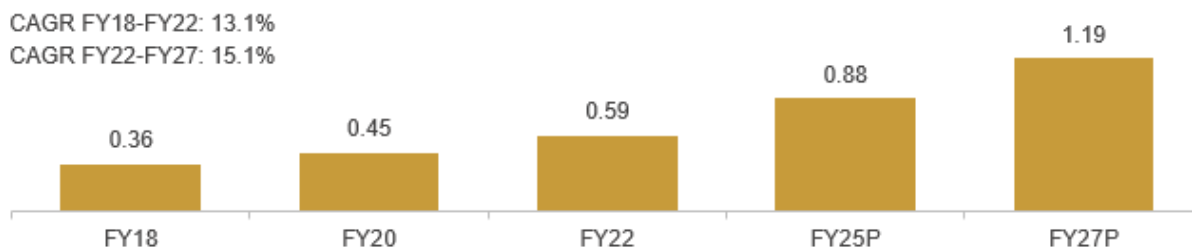
The Asia-Pacific accounts for the largest market share overall, approximately 40% in 2022, and is expected to maintain this position throughout the forecast period. This is explained by the expansion of the consumer base in the region, which has a huge electronics manufacturing base. Additionally, the Asia-Pacific commercial refrigeration market is experiencing lucrative growth possibilities due to the rise in disposable income, which is driving up demand for fluorochemicals. China, Japan and India are the three largest market contributors in the Asia-Pacific. In terms of application, Europe holds the second-highest market share. This is linked to the presence of major automotive manufacturing market in the region.

### India Fluoro Organic Compound Market

The India fluoro organic market was valued at US\$ 0.59 billion in 2022, and is expected to reach US\$ 1.19 billion by 2027, registering 15.1% CAGR.

The robust demand for air-conditioning systems and refrigeration equipment, rising aluminium production, expanding pharmaceutical applications, strong demand for blowing agents for plastic foaming applications in the construction sector, and expanding use of high-performance fluoropolymers in the automobile industry will all contribute to increased demand in the Indian fluoro organic market. Domestic consumer refrigerant demand is predicted to rise dramatically due to the high need for refrigeration and cooling solutions from residential and vehicle applications.

### India fluoro organic compound market growth trajectory (US\$ billion)



P: P: Projected

Note – Data for each Fiscal year, Market size is based on consumption

Source: CRISIL Research

## OVERVIEW OF KEY APPLICATIONS OF SURVIVAL TECHNOLOGIES’ PRODUCTS

### Pharmaceuticals

#### Global Pharma Industry

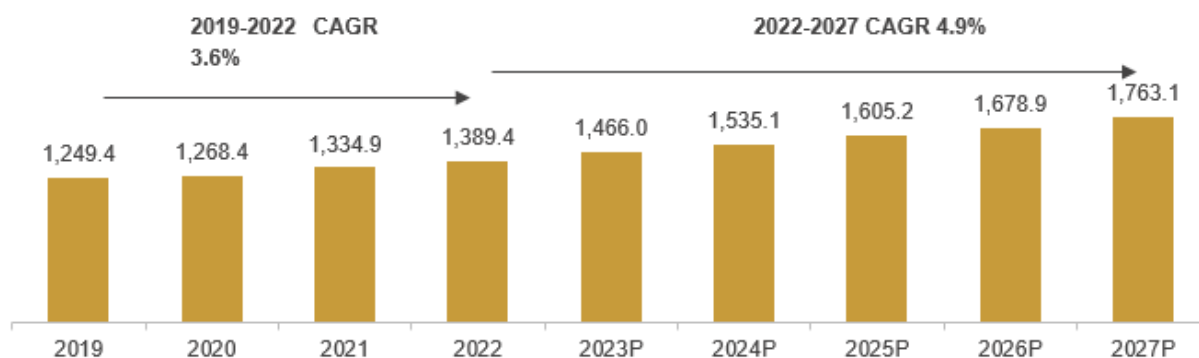
#### Posted Healthy Growth in 2021, as COVID-19 Infection Rates Eased

Pricing pressure slowed growth of the pharmaceutical (“**pharma**”) market in calendar years 2018 and 2019. While it was flat in 2022, growth is estimated to have been higher in 2021 because of reopening of economies with the subsiding of COVID-19 infection rates, which increased the number of patient treatments in clinics and healthcare centres. Rising R&D in drug manufacturing, prevalence of chronic diseases, availability of generics, and uptake of biopharmaceuticals (“**biopharma**”) are the key drivers of the global pharma industry. In the near term, strategic initiatives such as new drug launches and biological products, acquisitions, collaborations, and regional expansion, are also expected to fuel market growth. However, unfavourable drug price control policies in several markets and high manufacturing costs are the main limiting factors.

#### To Clock Steady Approximately 5% CAGR Between 2020 and 2027

The global pharma industry, which grew 4.5% to 5.0% between 2016 and 2020 to approximately US\$ 1,270 billion, is expected to sustain the growth momentum over the next five years, to reach US\$ 1,650 to US\$ 1,800 billion in 2027. New product launches, an ageing population, sedentary lifestyles, increasing prevalence of chronic diseases, technological advances, new methods for drug discovery, and increase in pharma drug usage are key industry drivers. Also, pharma companies are offering customised individual drug treatment for better treatment of diseases, and precision medicine that aims to provide medical care according to individual patient characteristics, needs, preferences, and genetic make-up.

### Global pharma drugs market size (US\$ billion)



P: Projected

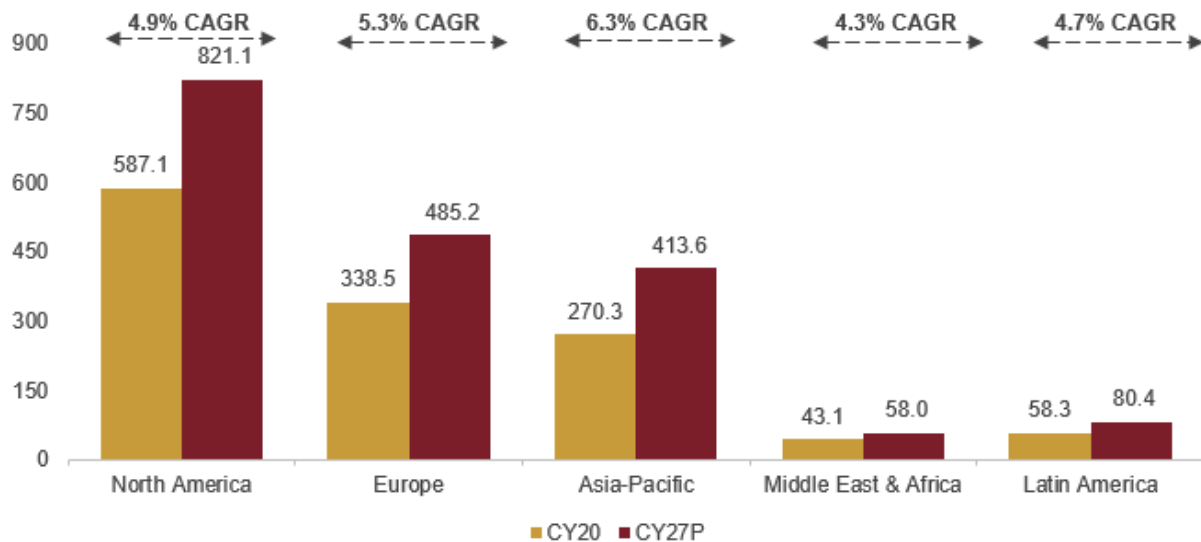
Note: Data for each calendar year

Source: CRISIL Research

## North America to Continue to Dominate the Global Pharma Market, Asia-Pacific to Post Fastest Growth Rate

North America is the largest pharma market in the world in terms of consumption (approximately US\$ 587 billion as of 2020), followed by Europe (approximately US\$ 338 billion), and the Asia Pacific (approximately US\$ 270 billion).

### Region-wise global pharma market outlook (US\$ billion)



Source: Mordor Intelligence, CRISIL Research

## Key Growth Drivers

### Rise in Ageing Population

According to the United Nations' World Population Prospects: The 2019 Revision, the number of 65-year-olds or above is expected to more than double from 703 million in 2019 to 1.5 billion 2050 globally. This population group is registering a faster growth rate than all the younger age groups, which will support the healthcare segment, as the incidence of chronic diseases is high in this age group.

### Incidence of Chronic Diseases

Rising incidence of cancer, cardiovascular diseases, obesity, and diabetes has a significant impact on the economy of a country, which is, therefore, likely to drive the demand for pharma.

### Better Access to Medicine in Emerging Markets

As the world's population topped 7.7 billion in 2020, per capita usage of medicine per person per day is also estimated to have increased. Much of the increase in usage is from emerging pharma markets such as China, India, Brazil and Indonesia, where substantial increases have been made in average medicine volume usage. The rise of government safety nets and private insurance are key factors that will increase volume usage across emerging markets.

### Strong Development of Generics Market

In the US, healthcare reforms are driving higher insurance coverage and greater usage of generic medicines. Driven by greater dependence on generic medicines and enactment of the Patient Protection and Affordable Care Act, the market is expected to continue to grow. The consequent decline in the uninsured population in the US will continue to drive demand for generic drugs, thereby aiding growth of the Indian pharma manufacturers.

## India Pharma Industry

### Global Positioning

The Indian pharma industry, currently valued at approximately US\$ 50 billion, ranks 3rd in terms of pharmaceutical production by volume and 14th in value globally, plays a significant role in the global pharma supply chain. Behind India's pharma success story is world-class manufacturing facilities, robust infrastructure, cost-competitiveness, trained human capital, and innovation. With over 80 pharma clusters, 10,500 manufacturing facilities, and 500 API manufacturers comprising approximately 8% share of the global API industry, India is the largest supplier of generic medicines, with 20% volume share of global supply. The country manufactures 60,000 different generic brands across 60 therapeutic categories, and exports to over 200 countries. The country also has the highest number of US Food and Drug Administration (“USFDA”)-compliant pharma facilities outside the US. 65% to 70% of the WHO’s vaccine requirements are sourced from India.

### Industry Structure

It is a non-cyclical industry, comprising formulations, bulk drugs, and chemicals/intermediates.

#### The value chain



Source: CRISIL Research

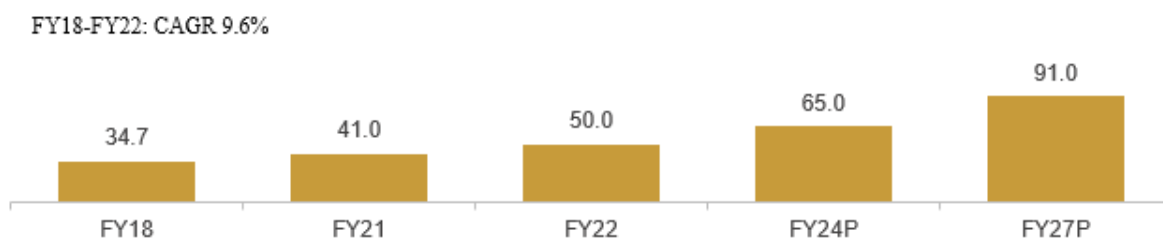
**Pharma intermediates:** An API/ bulk drug is generally synthesised through complex stepwise chemical reactions. Intermediates are chemical compounds that are used to develop stable APIs and are key building blocks for APIs. As per the Pharmaceutical Export Promotion Council of India, intermediates are used as raw materials to produce bulk drugs, which are either sold directly or retained by companies to produce formulations. Intermediates are generally organic compounds, often manufactured from specialty chemicals through specific chemical processes, and then used in the synthesis of different API classes, such as antibiotics, vitamins, steroids, analgesics, etc.

**Bulk drugs or APIs:** These are the main constituents or raw materials of formulations that have the desired pharma property. API manufacturers supply to formulation players, who, in turn, sell the final dosage forms that can contain one or more API. The API industry can be segregated based on their application as anti-infective, cardiovascular, central nervous system, or respiratory system drugs.

**Formulations:** Final medicines are sold in the form of capsules, tablets, injectables, etc. These formulations are manufactured by combining one or more API, together with excipients, which serve as inert masking, binding or carrier substance. The dosage forms are chosen as per requirements.

Over 2021 to 2027, the domestic pharma market is expected to grow at a steady pace on the back of vaccine manufacturing, growing opportunities in API manufacturing, US markets turning favourable with a focus on specialty drugs, complex molecules, and rising demand in the Indian market owing to an ageing population, increasing incidence of non-communicable diseases (“NCDs”), improving insurance penetration, booming medical tourism, and rising per capita income.

#### India pharma industry growth (US\$ billion)

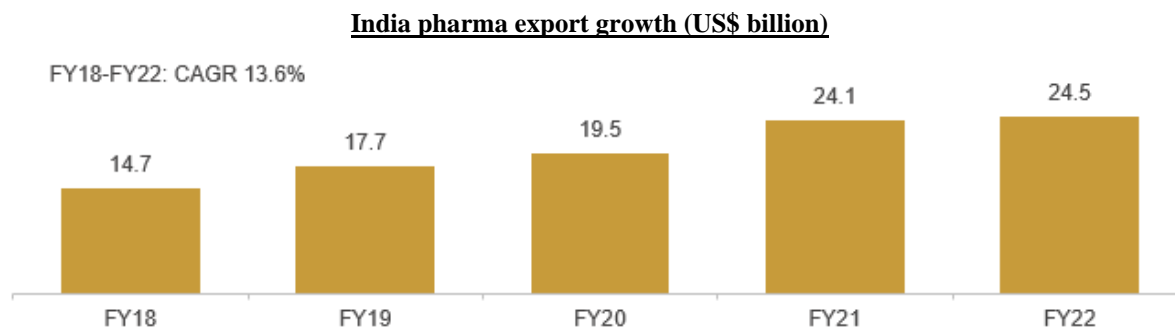


P: Projected | Note – Data for each Fiscal year

Source: Department of Pharmaceuticals, RBI, CRISIL Research

## India Pharmaceutical Exports

Building on the buoyant performance in Fiscal 2021, Indian pharma exports once again registered a healthy trajectory in Fiscal 2022, despite global trade disruptions and fall in demand for COVID-19-related medicines with the abating of infections rates. In fact, Fiscal 2022 showed the pharma sector's best export performance. Between Fiscals 2018 and 2022, Indian pharma exports rose from US\$ 14.7 billion to US\$ 24.5 billion, at a CAGR of 13.6%.



Source: Department of Pharmaceuticals, CRISIL Research

## Overview of Government Initiatives in the Indian Pharma Sector

On March 21, 2020, the Union Cabinet approved two schemes to support the Indian pharma sector.

Name of the scheme	Details
Production-linked Incentive	<ul style="list-style-type: none"> <li>• Tenure: FY21 to FY30</li> <li>• Financial outlay: ₹ 69.4 billion</li> <li>• Scheme applicable for greenfield projects</li> <li>• Financial incentive to be provided for 41 identified key products that cover all 53 identified APIs</li> <li>• The net worth of the applicant (including that of group companies) as on date of the application should be more than or equal to 30% of total proposed investment</li> <li>• Maximum number of selected applicants: 136</li> <li>• The incentive under the scheme shall be applicable only on sales of eligible products to domestic manufacturers</li> </ul>
Creation of bulk drug parks	<ul style="list-style-type: none"> <li>• Tenure: FY21 to FY25</li> <li>• Financial outlay: ₹ 30 billion</li> <li>• Three bulk drug parks to get the support</li> <li>• Maximum grand-in-aid for one bulk drug park will be limited to Rs 10 billion</li> <li>• Minimum 50% of land area for bulk drug manufacturing units</li> <li>• Three states to be selected through challenge method</li> </ul>

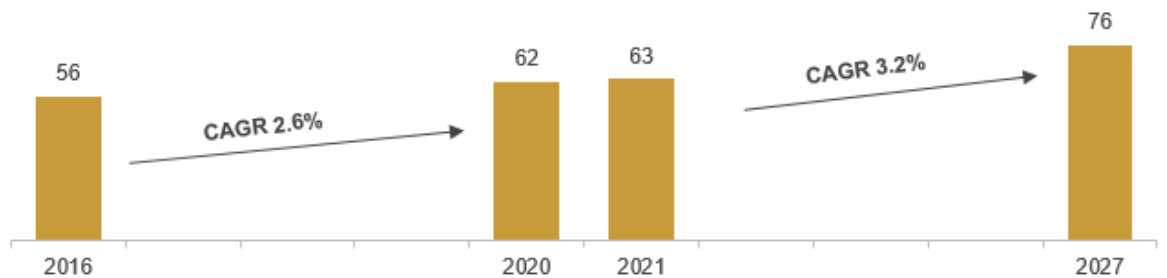
Source: PIB, CRISIL Research

## Agrochemicals

### Global Agrochemical Industry

CRISIL Research estimated the global agrochemical industry at US\$ 63 billion as of 2021. The industry grew at 2% to 3% CAGR over 2016 to 2020. We expect 3% to 4% CAGR growth over 2021 to 2027. The industry is witnessing consolidation and tight regulation. The importance of sustainability is also growing. Increasingly stringent regulation is impacting the growth of established products and increasing the cost of innovation. Generic products have grown consistently over the past 10 years and accounted for 40-41% of the agrochemical market in 2021. The Asia-Pacific accounts for 30% to 31% of the global agrochemical market. Asia and Latin America are the largest regional markets for crop protection chemicals and account for approximately 30% and 25% of global sales, respectively. Europe and North America together account for approximately 40%.

### Global agrochemical industry market size (US\$ billion)



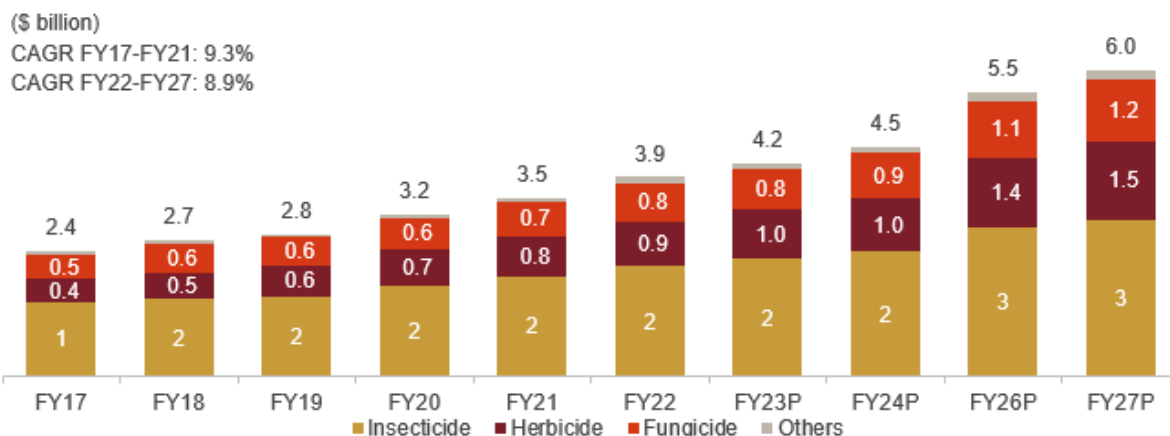
P: Projected | Note – Data for each calendar year

Source: CRISIL Research

### **India Agrochemical Industry**

Generics dominate the Indian agrochemicals market. Over the next three years, assuming normal monsoons, CRISIL Research expects domestic consumption of agrochemicals to log 8% to 10% CAGR, to cross US\$ 6 billion by 2027. The growth will be driven by an increase in penetration and rise in per-hectare expenditure on pesticides. Further, usage is expected to increase because of rising farmer awareness. India has one of the lowest per-hectare consumption of agrochemicals. Therefore, farmers are likely to increase the intensity of application to achieve better crop yields and pare losses.

### Indian agrochemical industry development



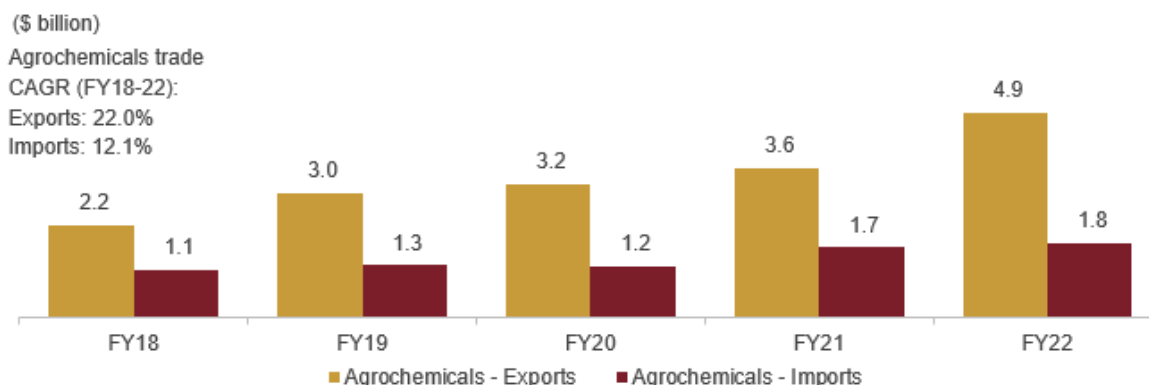
P: Projected | Data for each Fiscal year

Source: CRISIL Research

### **India's Agrochemicals Exports Logged 22% CAGR in Past Five Years**

In the past Fiscal, the country's total agrochemical exports stood at \$4.9 billion and imports at US\$1.8 billion. Agrochemicals accounted for 1.16% of the total merchandise exports and 0.29% of the total merchandise imports in the year. Between Fiscals 2018 and 2022, exports of these products logged a robust 22% CAGR and imports 12.1% CAGR.

### India's agrochemicals trade over 2018 to 2022



Share (%) of agrochemicals in total merchandise trade of India	FY17	FY18	FY19	FY20	FY21	FY22
Exports	0.78%	0.84%	0.96%	1.07%	1.23%	1.16%
Imports	0.27%	0.28%	0.26%	0.27%	0.43%	0.29%

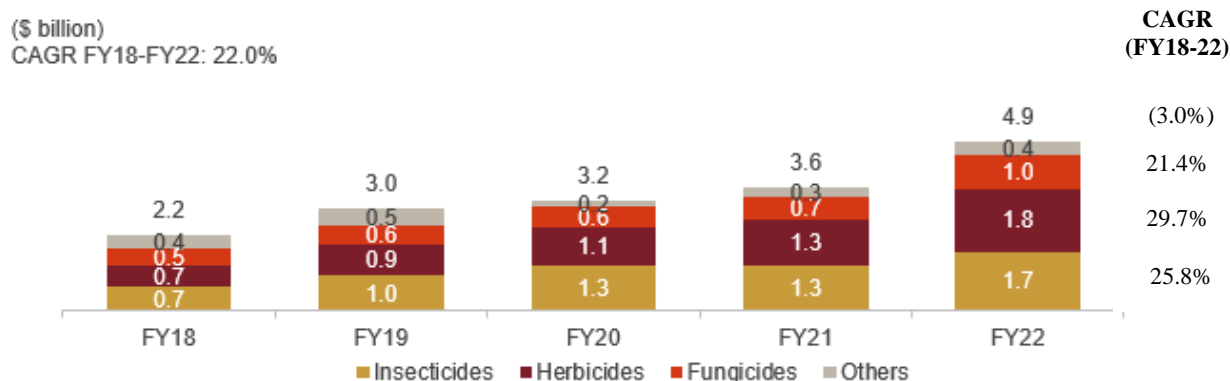
Conversion rate: 1 USD = 73.93 INR

Source: DGCIS, CRISIL Research

### **Approximately 70% of Agrochemicals Produced in India Exported in 2022**

Brazil, the US and France are major export markets for Indian agrochemicals. The top five countries accounted for 57% of India's agrochemicals exports in 2022.

### Exports have grown at a healthy pace over the past years



Note: HS codes: insecticides - 380891; fungicides - 380892; herbicides - 380893; others - 380894, 380899, 380869, 380862, 380861, 380859, and 380852

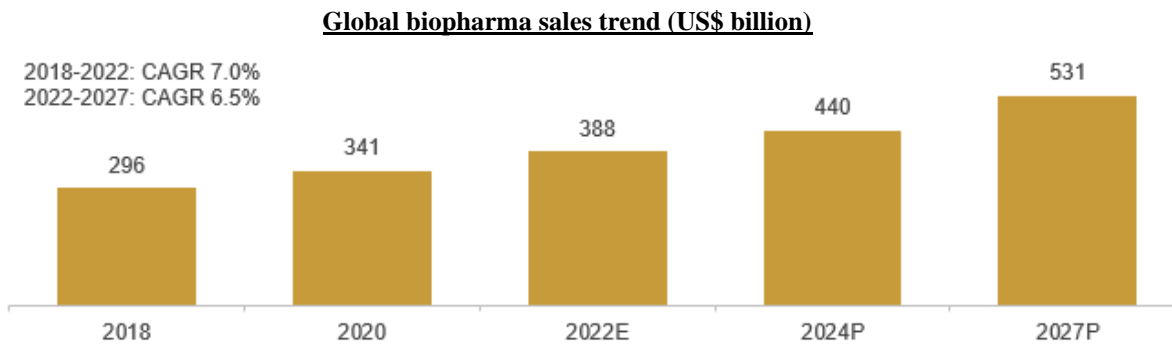
Source: Ministry of Trade and Commerce, CRISIL Research

## **Biopharma**

### **Global Biopharma Industry**

The biopharma industry is estimated to be valued at US\$ 388 billion as of 2022 and is anticipated to grow at a CAGR of 6.49% from 2022 to 2027 to US\$ 531 billion. Biopharmaceuticals are compounds with a high therapeutic value that are created utilising live creatures such as bacteria and animal cells. These bulky, intricate molecular medications are also referred to as biologics and biotech medications. The rise in the aged population, surge in the prevalence of chronic diseases such as cancer and diabetes, and the increased use of biopharma internationally are

some of the reasons driving market growth. Additionally, it is projected that an increase in strategic alliances between biopharma companies will support the industry's expansion.



*E: Estimated P: Projected | Data for each calendar year*

*Source: CRISIL Research*

### **Government Initiatives**

The market is receiving the support of the government because of the expansion of the biotechnology sector in developing countries such as China, Japan, and India. Government initiatives are intended to streamline the clinical study standards, improve reimbursement practises, and speed up the product approval procedure, all of which will offer the business a profitable growth potential.

Additionally, agricultural input companies are focusing on improving the already-existing technology such as the creation of novel crop stacking features, and fresh germplasm through breeding advancements and gene sequencing. In order to increase productivity through long-term fixes, the major market players are focusing their efforts on bringing agricultural technologies to the market.

### **Growing Incidence of Chronic Disease Will Drive Growth**

Over time, the rate of chronic diseases has risen. The biopharma industry helps prevent chronic diseases. Biopharma companies are concentrating on developing personalised therapies. This will pave the way for the creation of individualised procedural healthcare requirements as well as help in the treatment of some inherited genetic diseases. Additionally, fresh ideas are being introduced such as cell therapy, which has the potential to treat some cancers efficiently. As a result, during the anticipated timeframe, the growing incidence of chronic diseases will drive growth of the global biotech market during the projected period.

### **North America Dominated the Global Biotechnology Industry in 2021**

Due to several factors, including the existence of major competitors, strong R&D activities and high healthcare spending, the biotechnology (biotech) market in North America is expanding. Additionally, it is anticipated that the rising frequency of chronic diseases and the increasing use of personalised medicine apps for the treatment of serious illnesses will have a beneficial impact on market growth in North America.

From 2022 to 2030, the Asia Pacific is anticipated to experience the fastest growth. The development plans of major market participants, favourable government initiatives, and increased investments in healthcare infrastructure can all be linked to regional market growth.

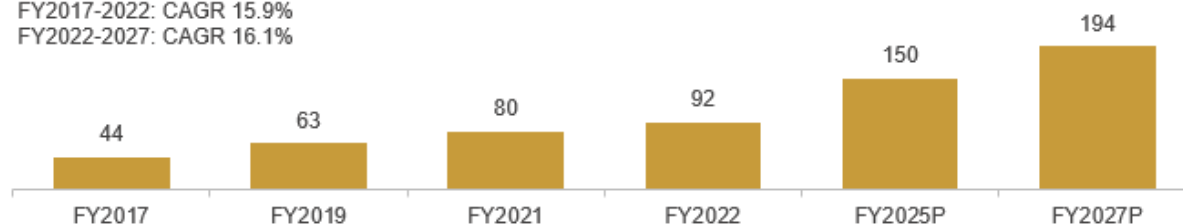
### **India Biotech Industry**

The Indian biotech industry was valued at US\$ 92 billion in 2022 and is expected to grow at a CAGR of 16.1% from 2022 to 2027, to reach US\$ 194 billion by 2027. The biotech industry can offer a variety of solutions for problems in several fields of health, agriculture, environment, energy, and industrial processes, mostly because of its multidisciplinary approach. India was one of the first countries to establish a department specifically for the biotech sector. Additionally, the government has established Biotechnology Industry Research Assistance Council (“BIRAC”), a non-profit organisation, to support and empower emerging biotech enterprises in the pursuit of strategic research and innovation by guiding them from the conception of their ideas to the commercialisation of their products and technologies.



### Indian biotech industry growth trajectory (US\$ billion)

FY2017-2022: CAGR 15.9%  
FY2022-2027: CAGR 16.1%

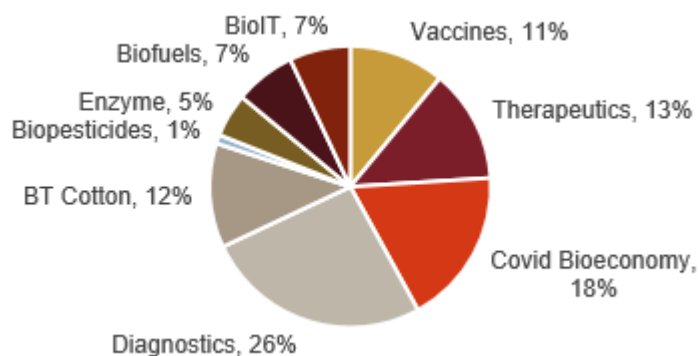


*P: Projected | Data for each Fiscal year*

*Market size is based on consumption*

*Source: CRISIL Research*

### Percentage share of biotech segments in Fiscal 2021



*Source: CRISIL Research*

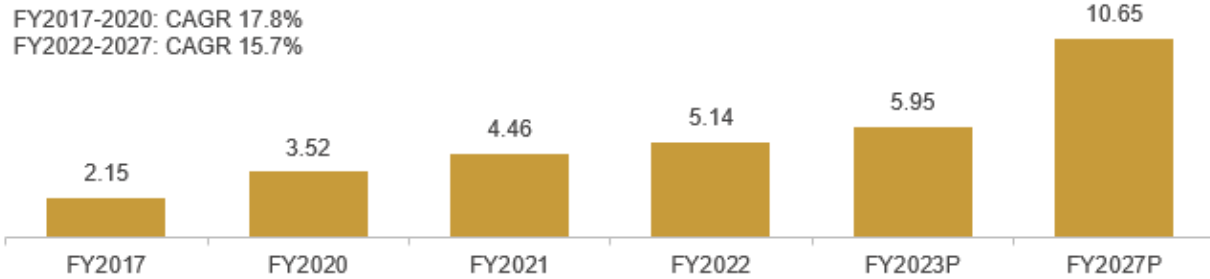
### **Rising Government Expenditure on Public Health and Schemes Such As PLI to Aid Market Growth**

The Government of India has launched Production-linked Incentive (“PLI”) scheme for 14 sectors, including pharma. This scheme is expected to attract investment in the areas of core competency and cutting-edge technology, ensure efficiencies, create economies of scale, enhance exports, and make India an integral part of the global supply chain. Government initiatives for infrastructure development and manufacturers’ growing attention on extending their production capacity are projected to propel India’s pharma market in the near future.

### **COVID-19 Vaccine Opportunity Only In The Near Term, Biosimilars To Drive Growth In The Medium Term**

During Fiscals 2017 to 2022, the Indian biopharma industry clocked a CAGR of 18% to 19%, because of increase in sale of vaccines in the domestic and global markets. On the other hand, in the therapeutic segment, growth has been lower than that in the vaccines segment due to inability of the Indian players to enter the regulated markets of the US and Europe. Further, though the Indian players have launched biosimilars in the semi-regulated markets, the high cost of biosimilars and poor healthcare infrastructure have restricted substantial growth. Major Indian pharma players were riding high on the success of the conventional generics segment in the regulated markets for almost a decade till Fiscal 2015. Also, marketing exclusivity in many drugs enhanced their revenue, especially during Fiscal 2012 to 2014. However, post Fiscal 2014, competition sharpened for Indian generic companies due to the entry of many smaller players. On the other hand, lower patent expiry narrowed the opportunities for them. Therefore, Indian players have started looking at biosimilars and the specialty segment (conventional) as the next engines of growth.

### Indian biopharma market (US\$ billion)



*P: Projected | Data for each Fiscal year*

*Market size is based on consumption*

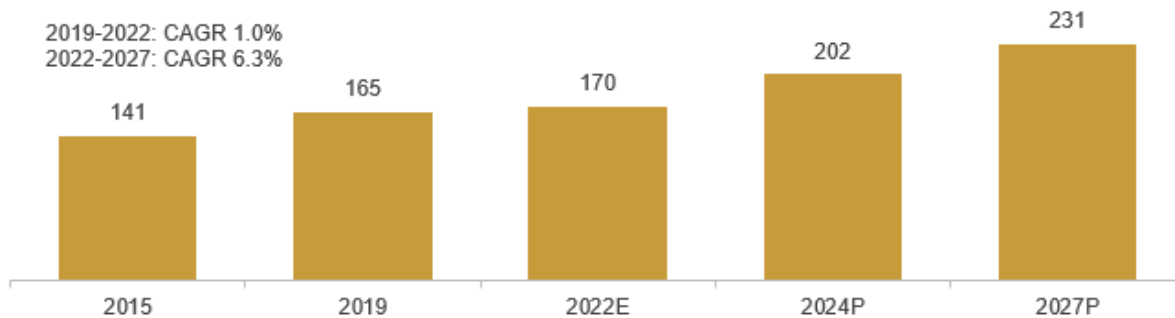
*Source: CRISIL Research*

## Paints

### Global Paints Industry

The global paints and coatings industry was valued at US\$ 170 billion in 2022. Industry exhibited slow growth of approximately 1% CAGR between calendar year 2019 to 2022 due to impact by COVID-19 pandemic which led to slowdown in demand across end use. Industry is expected to grow at a CAGR of 6.3% between 2022 and 2027. It is anticipated to be driven by increasing product consumption in the construction, automotive, and general industries application sectors. Rapid urbanisation and industrialisation in emerging countries such as India, China and Southeast Asia are expected to drive product demand across a range of applications.

### Global paint industry growth trajectory (US\$ billion)



*E: Estimated, P: Projected | Data for each calendar year*

*Source: CRISIL Research*

Paints are widely used in the wood, automobile, transportation, and construction industries. The main application is in the building and construction industry to protect structures from external damage. Additionally, the product is used to decorate infrastructure and buildings, both residential and non-residential, as well as industrial machinery, automobiles and boats, industrial wood, and others.

### Key Growth Drivers

#### Sustainability Development

The substrates that paints are applied to are preserved and protected, which helps conserve energy and material resources. Companies typically take sustainability into account when conducting commercial operations. The primary goal is to reduce volatile organic compounds (“VOCs”), which includes waste minimisation, process efficiency improvement, renewable resource use, and energy saving.

#### Rapid Expansion of the Construction Industry

Paints are used to decorate and protect buildings and infrastructure. Architectural enhancements include primers, sealers, varnishes, stains, and interior and exterior house paints. The global paint industry is likely to be supported by an increase in construction activities and government spending in various public infrastructure projects. Additionally, advanced cutting-edge technologies such as cloud computing and collaborative building information modelling (BIM) are becoming standard in the building business and driving growth.

### ***Increase in Demand from the Construction and Automotive Industries will Drive the Segment***

Marine, architectural, automotive refinish, automobile OEM, coil, general industries, industrial wood, and protective coatings are the application-based segments of the global paint market. During the projection period, the architectural segment is anticipated to maintain its dominance in terms of revenue and volume. The market for these materials is growing as their application expands in a variety of sectors, including the auto and construction industries. Rising product demand for commercial and industrial applications will accelerate market expansion.

### **Asia Pacific to Dominate the Global Paint Industry Due to Increasing Construction Activities**

In terms of revenue and volume, the Asia Pacific held the largest market share in 2021, and is likely to retain it throughout the projected period. The reason is the expansion of the automobile and construction industries in China, Japan, and India. China is the main consumer because of its expanding population, which is driving the market expansion in the residential construction industry.

In Europe, demand for paints will be led by the automobile industry. Due to higher level of discretionary income and accessibility to raw materials, Europe ranks among the top global makers of automobiles. North America is anticipated to experience notable expansion as well. The US is one of the major consumers of paints for use in construction and automotive applications, which will also aid market expansion.

### **Indian Paints Industry**

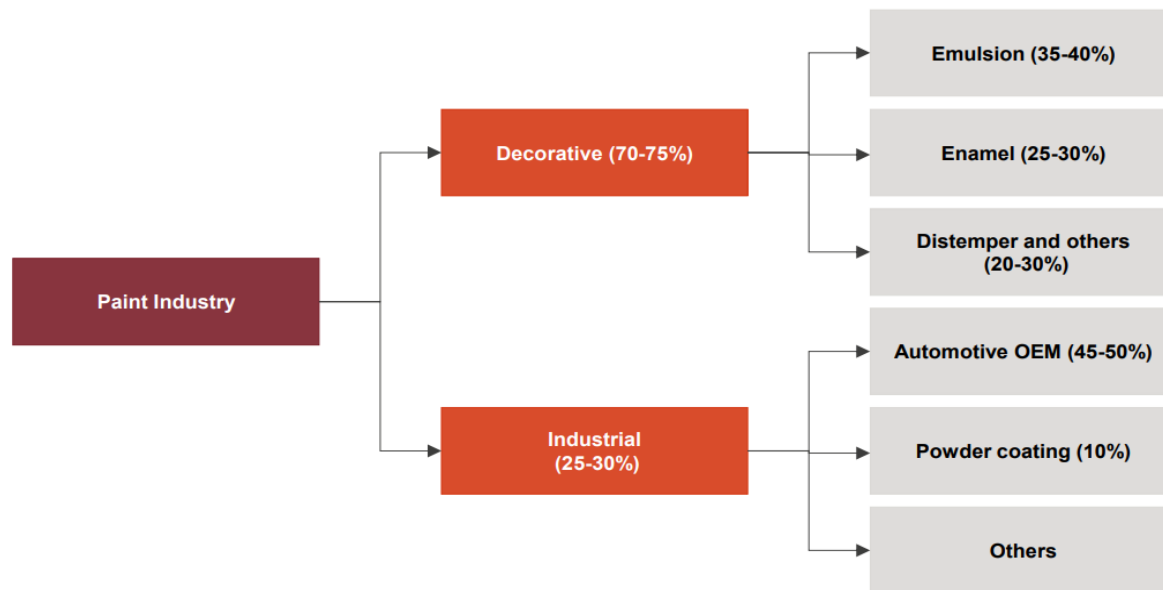
The domestic paints industry, with an estimated market size of US\$ 6.9 billion in 2020, is broadly segmented into: (1) decorative paints; and (2) industrial paints. Decorative paints find utility in the housing and construction sector and account for over 70% of the total paint market. Within this segment, repainting accounts for nearly 60% to 65%, while new constructions account for the rest. The decorative paints segment is subdivided into enamels, distempers, emulsions, putty, and exterior paints.

Industrial paints, conversely, find use in industries such as automobiles, auto ancillaries, consumer durables, marine vessels, and industrial plant & machinery. Of these, the automotive segment constitutes the largest share of the market. Owing to the technology-intensive nature of end-user segments in this category, manufacturers have entered into technical collaborations and joint ventures with leading international paint producers.

Large players account for 65% to 70% of the domestic paints industry (value wise), making the industry fairly organised. The remainder of the industry comprises 2,000 small players, who mainly compete in the regional markets.

The domestic paints industry has been recording a 6% CAGR between 2015 and 2020. Increasing penetration in the rural and non-metro cities, rising per capita consumption of paints and growth in the major end user industries such as real estate, automobiles and construction sector have been the key growth drivers for domestic paints industry. Amid slowdown in major end-user industries, the paints industry revenue contracted 5% to 10% year on year in 2021, as real estate completions were severely impacted during the first half post-lockdown, following the onset of COVID-19 that affected the decorative paints segment. Industry revenue is likely to witness a healthy growth on a lower base of 2021. The decorative segment will see a faster recovery following resumption of real estate construction and expected completions during the year.

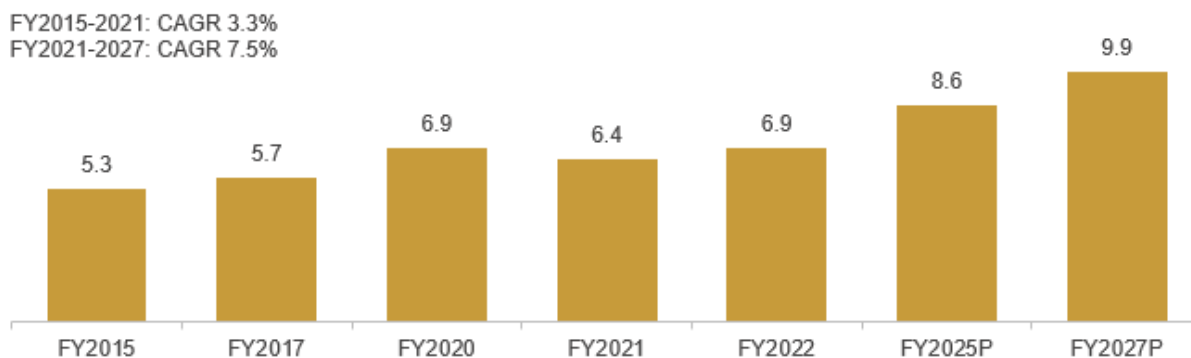
**Paints industry by end-use**



Source: CRISIL Research

Considering robust fundamentals and the current economic environment, the market is estimated to grow at 7.5% CAGR between 2021 and 2027, aided by better economic indicators.

**India paint industry’s growth trajectory (US\$ billion)**



P: Projected | Data for each Fiscal year

Market size is based on consumption

Source: CRISIL Research

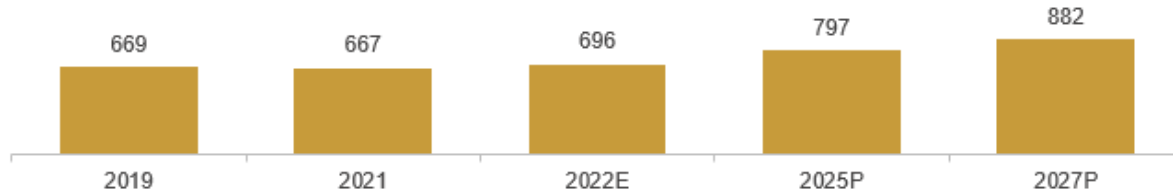
**Polymers**

**Global Polymers Industry**

In the automotive industry, heavy materials such as glass and metal are being replaced with lighter alternatives such as polycarbonate (“PC”), as there is an increasing focus on a higher fuel economy. As a result, a 4.9% CAGR is predicted between 2022 and 2027, increasing the size of the worldwide polymer market from US\$ 695.5 billion in 2022 to US\$ 881.9 billion in 2027. This is due to the excellent mechanical, electrical, insulating, optical, and chemical characteristics of PC and other polymers, as well as their high strength-to-weight ratio, elasticity, and corrosion resistance.

### Global polymer industry size (US\$ billion)

2019-2021: CAGR -0.1%  
2022-2027: CAGR 4.9%



E: Estimated, P: Projected | Data for each calendar year

Source: CRISIL Research

#### **Growing Food and Beverage, Automotive and Healthcare Business will Drive Growth**

Due to the significant demand for polyethylene from the food and beverage packaging industry, the packaging category is anticipated to hold the largest market share for plastic over the projection period. The demand for products from the infrastructure and construction end-use industries is increasing due to the increasing usage of construction-related products in their production, such as flooring, window films, and fittings and pipes.

Similarly, the consumer goods/lifestyle and automotive and transportation end-use industries are anticipated to significantly contribute to the market's growth during the forecast period. The market is expanding as a result of the increasing use of polymers in the automotive sector to extend the lifespan of vehicle parts and improve vehicle efficiency. The increasing use of polymers in the healthcare sector can be credited to their property of guarding against contaminants by acting as a barrier. Several polymers are used in the production of healthcare-related items such as gloves, syringes, bandage strips, blood bags, and prosthetics. Due to their insulating qualities, they are used in the electrical and electronics industries to create household appliances, switches, and light fixtures.

#### **Rising Demand of Polyethylene Due to Its Various End-Use Applications Which Drive the Market**

The expanding global trend for processed foods, platters, milk and fruit juice containers, cartons, barrels, and other water-based food packs is expected to increase demand for polyethylene. In order to fulfil the growing need for housing and public buildings that could be crucial in helping to provide a plentiful supply of plastic market opportunities, several provincial administrations of many different countries have been forced to increase their infrastructure footprint.

#### **Asia Pacific to Hold the Largest Market Share During the Forecast Period**

In 2021, the polymer market was dominated by Asia Pacific. The rapidly expanding industrial sector is anticipated to fuel demand for polymer in the electrical & electronics, automotive, construction, and packaging sectors. Due to technology transfer from western markets into the industry, both China and India have witnessed a rise in automotive production in recent years. Due to rising product demand from the electrical & electronics, healthcare & pharmaceuticals, and packaging industries, the U.S. held the biggest market share in North America.

The market for polymers is expected to grow in Europe because of the region's rising demand from the automobile industry. The expanding demand from the textile and packaging industries will be the main driver affecting growth in the Middle East and Africa. Latin America' is also anticipated to expand as a result of escalating urbanisation and the rise in businesses offering industrial packaging solutions.

#### **Indian Polymers Industry**

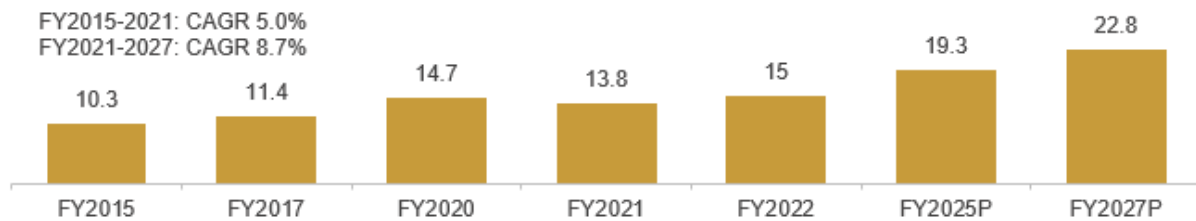
The polymer industry is directly proportional to economic growth, due to its application in industries such as construction and automobiles, which follow a normal business cycle. The domestic polymer industry is driven by demand for plastics, which is further led by demand from major end-user industries, such as automotive, construction, electronics, healthcare, textiles and FMCG. Polymers comprise polyethylene ("PE"), polypropylene ("PP"), polyvinyl chloride ("PVC") and polystyrene ("PS"). The total domestic polymer demand stood at approximately 14.7 mtpa (million tons per annum) as of 2020, with PE forming most of the demand.

Demand for polymers recorded a 7.5% CAGR between 2015 and 2020, because of higher economic growth, with PE contributing to most of the demand growth. PE demand is estimated to have recorded a 7% CAGR between

2015 to 2020, led by demand from blow-moulding, films, and general-purpose packaging applications. Demand from the films segment was propelled by improved demand from the processed-foods and retail-packaging segments. Domestic PP demand registered around 8.2% CAGR between 2015 and 2020, driven by the raffia and impact copolymer segments (together accounted for over 50% of offtake in 2020). These two segments expanded by a combined approximately 7% to 8% during 2015 to 2020. Offtakes of the fibre and filament and BOPP (Biaxially oriented polypropylene) segments were also healthy. Domestic polymer demand was estimated to decline 3% to 5% on-year in 2021, as against approximately 4% growth on-year in the previous Fiscal. This was owing to severe slowdown in major industries such as electricals, automobiles, and construction. However, the decline was restricted due to support from the food-packaging sector, as well as from single-use plastic (currently being used in medical applications such as PPE kits, gloves, shoe covers, etc.).

CRISIL Research expects polymer demand to record an 8% to 9% CAGR between 2021 and 2027, driven by a revival in most of the end-use sectors such as automobiles, infra, industrials. Simultaneously, demand from major consumer segments, such as packaging, irrigation, and construction, is anticipated to lend support.

**India polymer industry growth trajectory (million tons)**



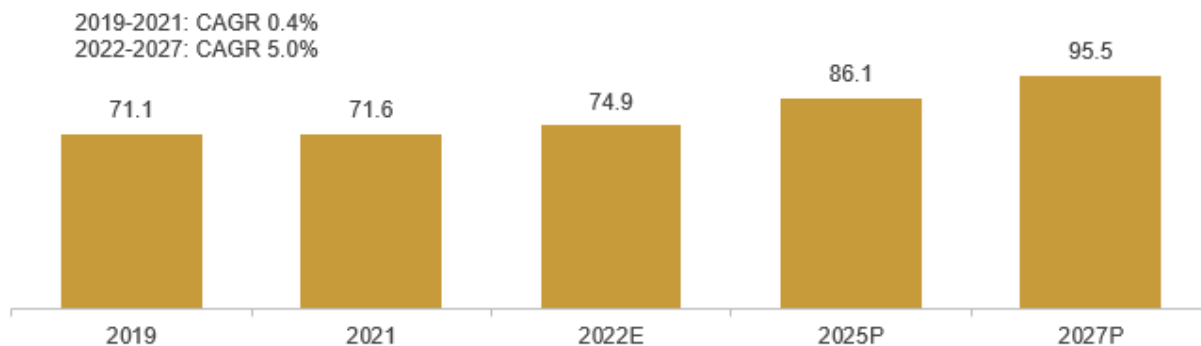
*P: Projected | Data for each Fiscal year  
Market size is based on consumption  
Source: CRISIL Research*

**Electronic Materials and Chemicals**

**Global Electronic Chemicals Industry**

The global market for electronic materials and chemicals is forecasted to grow from 2022 to 2027, at a CAGR of 5.0%. This market will grow from \$74.6 billion in 2022 to reach \$95.5 billion by 2027. The consumer electronics sector is anticipated to be primarily driven by falling equipment costs and growing living standards in various parts of the world, which will favourably affect the expansion of the electronic materials and chemicals market. The market is expected to grow because of the increased demand for semiconductors used in the production of integrated circuits, electronic chips, and mobile phones.

**Global electronic materials and chemicals market growth trajectory (\$billion)**



*E: Estimated, P: Projected | Data for each calendar year  
Source: CRISIL Research*

## Semiconductor Production to Aid Market Growth

Electronic chemicals are mainly used in the production and servicing of integrated circuits and printed circuit boards in the semiconductor industry. The other uses of electronic chemicals include etching, polishing, cleaning, doping, and maintaining semiconductors, among other tasks. Technical improvements in the electronic industry have a significant impact on semiconductor production, which is expected to boost the market throughout the forecast period. Future technologies, such as artificial intelligence and the Internet of Things, will increase the use of semiconductors as well as other chemicals and materials.

### Due to Widespread Use of Nanotechnology, the Electronic Chemicals Market Future Trends Are Changing Toward NEMS and MEMS Devices

Nano devices are popular all over the world due to their exceptional qualities, including reduced weight, smaller size, less power consumption, and lower fabrication costs. The market is turning toward nanoelectromechanical system (“NEMS”) and microelectromechanical system (“MEMS”) devices because of the widespread use of nanotechnology. The need for semiconductors has increased because of the expanding manufacturing of tablets, electronic appliances, laptops, and cell phones.

### Throughout the Predicted Period, Asia Pacific is Expected to Maintain Its Dominant Position

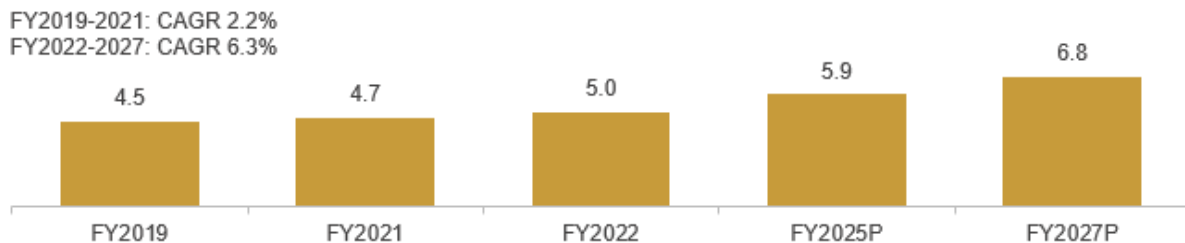
Due to advancements in several industries, including electronic gaming, telecommunications, consumer goods, and IT, there is a tremendous need for printed circuit boards, which is primarily be the reasons for the domination in Asia Pacific region with China, India, and Japan are the main contributors to the growth of this market in the area. Due to the constantly increasing demand for electronic gadgets, the market in North America is expanding at a tremendous rate. In North America, there has been a growth in the use of chemical mechanical polishing (“CMP”) slurries, low-dielectrics, and photoresist chemicals.

The expansion of the market in Europe is evidenced by an increase in the usage of electronic devices with cutting-edge functionality, such as smart homes and offices. The usage of electronic chemicals and materials is also supported by the region's big producers and suppliers of electronic equipment and supplies.

## India Electronic Material and Chemical Industry

The market for electronic materials and chemicals is predicted to grow significantly from 2022 to 2027, at a CAGR of 6.3%. This market will grow from US\$ 5 billion in 2022 to US\$ 6.8 billion by 2027. The consumer electronics sector is expected to be primarily driven by dropping equipment costs and growing living standards of population living in different parts of India, both of which will have a positive effect on the expansion of the electronic materials and chemicals market. The increasing need for semiconductors in the production of mobile phones, electronic chips, and integrated circuits is expected to fuel the market's growth.

### India electronic materials and chemicals market growth trajectory (US\$ billion)



P: Projected | Data for each Fiscal year

Source: CRISIL Research

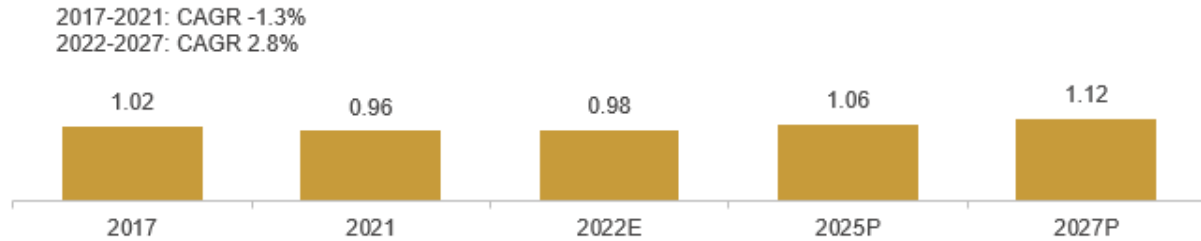
## X-ray Films

### Global X-ray Films Industry

The size of the global X-ray film market is estimated at \$0.98 billion in 2022 and is anticipated to increase at a CAGR of 2.8% to reach US\$ 1.12 billion by 2027. The growing need for diagnostic imaging technology across a

range of industries, including manufacturing, power plants, oil and gas, transportation, and more, is what is driving the global x-ray film market. Moreover, increasing number of radiography tests year by year across the world and lack of competition and alternatives owing to high cost of advanced imaging solutions for medical applications has compelled consumer to maintain X-ray as their primary imaging solutions.

**Global X-ray films market growth trajectory (US\$ billion)**



E: Estimated, P: Projected | Data for each calendar year

Source: CRISIL Research

**Diagnostic Centres Segment is Anticipated to Grow Significantly**

In developing nations, the demand for the diagnostic business is growing quickly. Test accuracy, quality, and cost remain several of the major problems that need to be resolved, which is driving the demand for studies in this segment. In developed economies, like Europe, major investment and critical technological advancements are generated in the public sector, while this is almost exclusive to the private sector in developing economies.

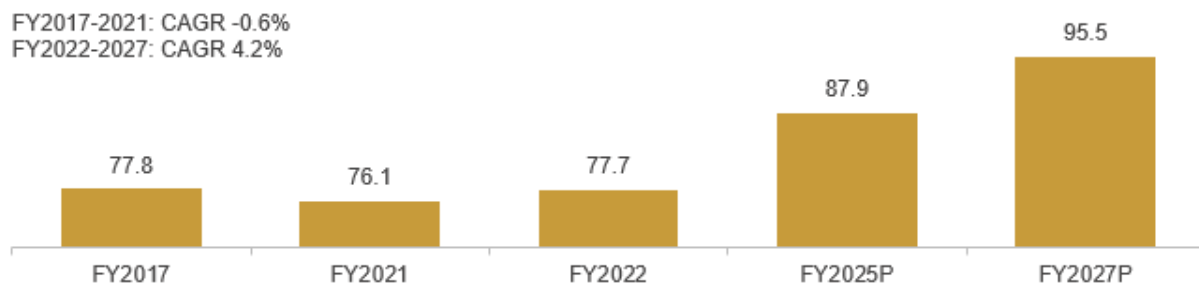
**Asia-Pacific to Witness a Significant Growth Rate**

Asia-Pacific continues to rely heavily on conventional x-ray technologies. The use of X-rays is increasing because of the region's growing population and the number of individuals with conditions that require the use of CT to diagnose or treat them. Medical imaging is in high demand because of this expanding patient base.

**India X-ray Films Industry**

India's market for X-ray imaging systems was estimated to be valued at \$77.7 million in Fiscal 2022, is anticipated to grow at a CAGR of 4.2% during the forecast period to reach \$95.5 million by Fiscal 2027. This can be attributed to the country's ageing population, which is more prone to illnesses that need an X-ray imaging equipment to diagnose. In India, there are nearly 104 million elderly people, constituting 8.6% of total population, according to Census 2011. This number is predicted to rise in the upcoming years which will increase the prevalence of illnesses or injuries that require an X-ray imaging equipment for an accurate diagnosis.

**India X-ray films market growth trajectory (US\$ million)**



P: Projected | Data for each Fiscal year

Market size is based on consumption

Source: CRISIL Research

**Increasing Number of Injuries and Accidents on the Roads to Aid Market Growth**

The number of injuries caused by accidents has dramatically increased in India because of the increasing frequency of road accidents. This has raised the need for X-ray imaging equipment, which are necessary for the identification



of various ailments brought on by car accidents and other injuries. The World Bank estimates that 53 traffic accidents occur in India every hour, which kill 1 person in every 4 minutes.

### Growing Prevalence of Osteoporosis

The frequency of various forms of fractures and injuries among the older population in India, particularly women, has increased due to the growing prevalence of osteoporosis, driving up the demand for an X-ray imaging equipment necessary for diagnosis. Wrist fractures, hip fractures, and spinal bone fractures are a few of the most frequent injuries in patients with osteoporosis.

### Rising Public Health Expenditure

There has been increased hospitals and diagnostic labs because to the country's expanding healthcare infrastructure. Additionally, the infrastructure of the current hospitals is being upgraded by the Indian government. Government expenditure on healthcare is up to 2.1% of GDP in Fiscal 2021 to 2022 from 1.3% in Fiscal 2016, with a target of 2.5% of the country's GDP by 2025.

## GLOBAL AND INDIA CRAMS MARKET

Contract research and manufacturing services (“CRAMS”) refers to outsourcing of production activity to third-party vendors, *i.e.*, it involves synthesis of agrochemical technical grades or active ingredients, intermediates, and specialty chemical products, as well as other fine chemicals.

The business is increasingly becoming an attractive option for companies in the chemical, pharmaceutical, and biotechnology sectors, which require molecules to be exclusively made for them at a certain scale. It is also beneficial for companies looking to reduce costs and operate competitively in a business environment characterised by increasing regulation, declining product approvals, and rapidly advancing technology.

In the chemicals space, CRAMS helps companies increase manufacturing capacity and flexibility without undertaking large capital investments. Large companies that need access to synthetic and process expertise, which may not be available in-house and require safety management and regulatory issues, are choosing CRAMS. In the case of the pharmaceutical and biotechnology sectors, CRAMS lowers drug discovery risks for larger companies and provides flexibility and immediate access to highly trained technical expertise. It also provides cost efficiencies and reduced time to market.

### Contract research and manufacturing services process flow



### CRAMS process

Value chain in CRAMS	Overview of key activities
Discovery	Library synthesis • molecule design • lead optimisation • route synthesis • biological testing • environment impact testing • micro field
Development and scale-up	Process development • analytical development • kilo lab studies • pilot plant trials • basic engineering • process optimisation • detailed engineering • plan design • HAZOP • small scale manufacturing for trials • formulation development
Manufacturing	Large scale manufacturing • offering multiple chemical reaction (high pressure to low temperature) • formulations

Source: CRISIL Research

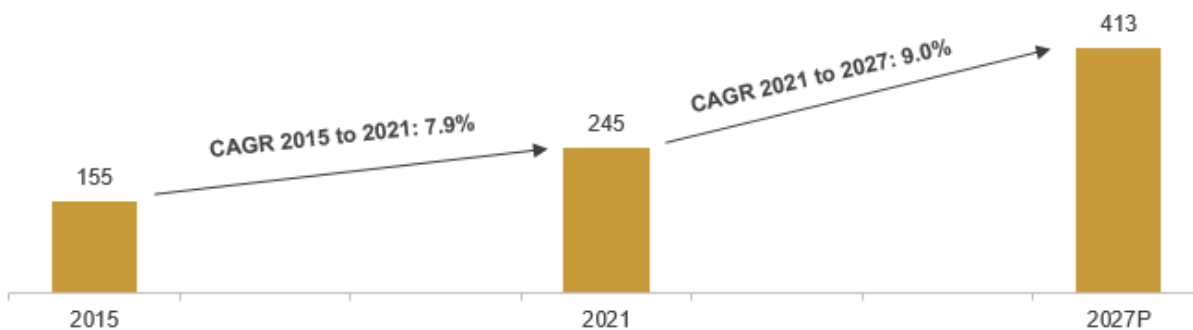
### Global CRAMS Industry to Accelerate Between 2021 and 2027

CRISIL Research expects the global CRAMS industry for specialty chemicals to clock 9.0% CAGR between 2021 and 2027, supported by growth of the global specialty chemicals industry, increase in commodity prices, rise in demand for outsourcing of manufacturing to emerging markets, and increased focus on R&D over manufacturing

by established players. This is a sharper rise vis-à-vis the previous corresponding period, *i.e.*, 2015 and 2021, wherein the industry logged an estimated CAGR of 7.9%, reaching US\$ 245 billion.

Specialty chemicals include agrochemicals and fertilisers, personal care chemicals, textile chemicals, paint and coating additives, intermediates, and specialty chemical products, along with other fine chemicals, such as APIs.

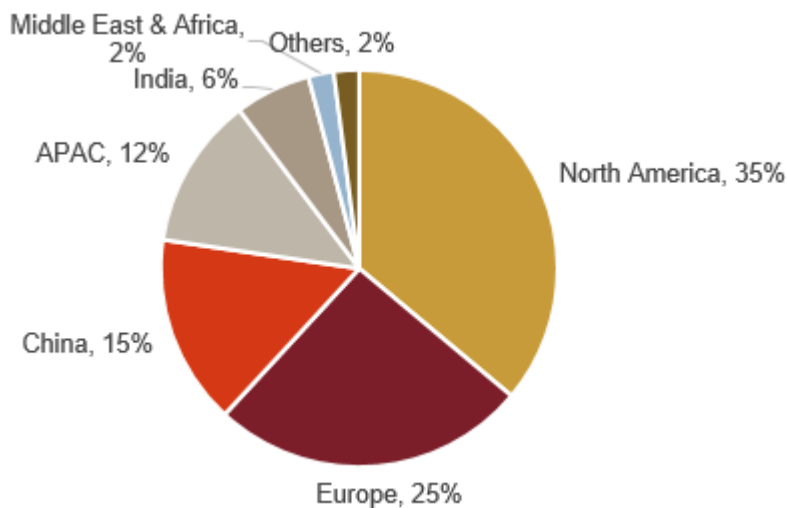
**Global CRAMS market (US\$ billion)**



*P: Projected | Data for each calendar year*

*Source: CRISIL Research*

**Global CRAMS market by geography (2021)**



*Source: CRISIL Research*

**Innovator Companies Outsourcing Complex Manufacturing**

Custom synthesis of a new molecule requires unique infrastructure that is technologically advanced and certified, as well as skilled workforce to carry out the manufacturing process. Most global innovator companies are increasing their focus on core competencies such as R&D and outsourcing custom synthesis to countries that have highly skilled labour and the required infrastructure to undertake the complex manufacturing of new molecules.

## **CRAMS Provides Greater Flexibility and Reduces Costs**

The specialty chemicals industry is driven by innovation. Though it is a low volume space vis-à-vis bulk commodities, it is critical in the value chain as it imparts a variety of properties to products with a high degree of value addition. In fact, development of specialty chemical requires deep research and expertise.

However, as new molecules become increasingly complex, major manufacturers of specialty chemicals in sectors such as pharmaceuticals, agrochemicals, etc globally are preferring to gain access to these competencies externally instead of building it in-house. CRAMS provides these companies an opportunity to manage costs, ensure flexible operations, and realise efficiencies in R&D and related functions.

## **Rising Number of USFDA-Approved Manufacturing Sites in Developing Countries**

The number of USFDA-approved manufacturing plants in developing countries such as India, China, Mexico, and Brazil have increased, making these countries favoured destinations for CRAMS for global pharmaceutical companies. The healthcare infrastructure and technological innovations in drug development processes in these countries are also significantly improving, which is prompting several pharmaceutical companies in developed countries to outsource research and manufacturing operations to vendors in these countries.

## **Indian CRAMS Industry to Accelerate Up To Fiscal 2027**

The Indian CRAMS industry is projected to grow a healthy 10.6% CAGR between 2022 and 2027, owing to new product launches and volume growth in the pharmaceutical and agrochemicals industries, and growth in end-use industries such as paints, automobile, textile, home care segments. Between Fiscals 2016 to 2022, the industry grew at 7.8% CAGR to approximately \$15.7 billion, thereby accounting for 6.4% of the global CRAMS industry.

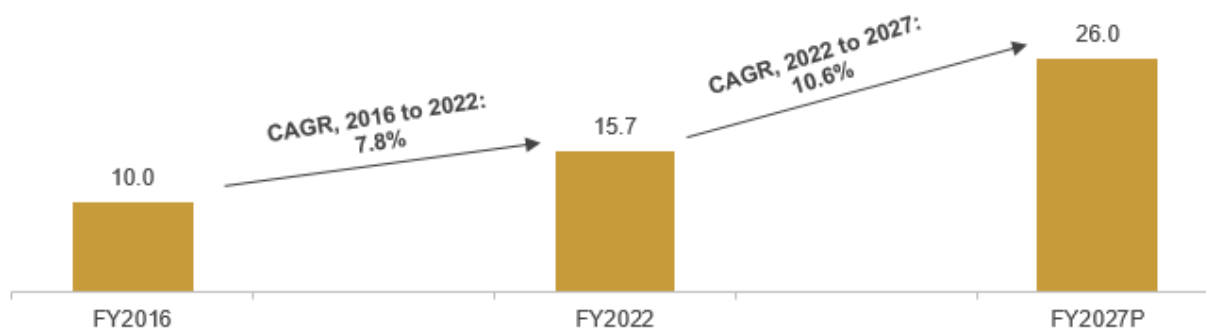
Global pharmaceutical and agrochemical companies prefer Indian CRAMS companies due to their low cost compared with those in developed economies. Contract manufacturing has picked up in India because of the huge availability of complex chemistries, R&D capabilities, strong intellectual property (“IP”) protection, skilled workforce, and large number of WHO Good Manufacturing Practices-certified plants. The product mix of companies in India ranges from high-end research and complex technology services and niche / custom manufacturing to more high volume manufacturing services which are typically dependent on technology transfers from the customer. The range of services broadly can be categorized into basic commercial manufacturing, development services, and go-to-market support. At present there is less innovator manufacturing in India, but the focus is shifting towards providing value added services. However, a few companies, including Survival Technologies, have proven their capabilities and have been able to work with innovators on their needs. A contract manufacturing organization (“CMO”) that can handle the basics, as well as deftly provide other value-added services can potentially increase the commercial success of an agrochemical, pharma or biotech company’s product, while still delivering the financial incentives is often taken for granted. Value added services might include such capabilities as formulation improvements, alternate dose forms, improved yield, and cycle time. Cost reduction is still a real possibility, but these value-added service enhancements will likely be key differentiators for contract manufacturers in the future. The Government of India’s ‘Make in India’ campaign is also expected to act as a stimulus to the emergence of India as a manufacturing hub for the chemicals industry.

Typically, demand for CRAMS is concentrated towards manufacturing bulk drugs (intermediates and APIs), formulations, biopharmaceuticals (especially vaccines), and agrochemicals. Some larger players are also involved in contract manufacturing of intermediaries for global innovator players. In addition, agrochemical custom manufacturing is likely to receive a boost with discovery chemistry gaining traction.

That said, custom synthesis and contract manufacturing is a highly fragmented industry, comprising several small and medium, and some large manufacturers. Companies, both domestic and multinational corporations, compete on the basis of pricing, relationships with customers, product quality, and process innovation. Most contract research manufacturing companies cater to the domestic industry as well as export to the semi-regulated markets. Regulated markets such as US and Europe account for a smaller portion because of stringent regulations.

Moreover, because of growth in the global specialty chemicals industry, CRAMS units in India are expected to see a strong upsurge in export demand to developed and emerging markets.

### India CRAMS market (US\$ billion)



*P: Projected | Data for each Fiscal year*

*Source: CRISIL Research*

#### **India to be a Focus for CRAMS for Companies Looking to Diversify from China**

Demand for CRAMS has grown sharply in India due to availability of a skilled workforce at lower cost compared with developed economies. Considering the surge in demand for food grains, demand from the agro industry for custom manufacturing is likely to continue to rise. However, the pharmaceutical industry is expected to continue to dominate the custom manufacturing space. But with stringent regulations likely to be implemented for chemical synthesis or discovery chemistry, larger Indian players are likely to see more demand for manufacturing services vis-à-vis smaller companies.

Meanwhile, R&D cost is rising, and complexity of new molecules is increasing, which is necessitating global innovators to seek outsourcing of manufacturing and research to strategic partners to provide bandwidth to focus on core competencies and development of new active ingredients.

India will continue to benefit owing to its:

**Lower cost base:** India, with its low-cost manufacturing base, a track record in process chemistry, and cogent IP protection policies, has established itself as a destination of choice for global innovators looking to outsource manufacturing operations. The pharmaceuticals industry is one of the major beneficiaries in the Indian CRAMS space, followed by agrochemicals, personal care ingredients, and specialty chemicals. Lower capital expenditure and set-up costs in India is driving growth, as CRAMS is a niche segment, and custom synthesis requires unique manufacturing techniques that can be a vastly expensive process.

**Large and abundant talent pool:** The availability of a large talent pool of professionals for drug development and research chemistry is strengthened by a sizeable number of pharmacists and post-graduate professionals, which is an added attraction for the global industry. One of the key indicators for rising penetration of pharma science education is the number of registered pharmacists – as per National Health Profile, India had 12,01,393 registered pharmacists as of March 2020, which was a rise from 5,59,408 in 2002.

**Presence of USFDA-approved manufacturing sites:** India's established market position is backed by +300 USFDA-approved manufacturing sites. These sites support growth of the Indian CRAMS industry, where continuous R&D has helped contribute to revenue growth. Further, growth of the industry is driven by growth of the Indian specialty chemicals market, which is expected to outpace China, and double its share of the global market to approximately 6% by 2026 from 3% to 4% in Fiscal 2021, according to CRISIL Research.

**Indian government push for IP treaties:** Joint ventures and technology transfers are driving the Indian CRAMS industry. The Indian government is doing its part to help the industry develop, by signing IP treaties, such as in June 2019, wherein India accepted the three important classification treaties of the World Intellectual Property Organization to ease the search of trademarks and industrial designs, thereby providing brand owners and designers with protection for their IP.

**Global players preferring supply chain diversification strategy:** Players are adopting a China+1 business strategy to restrict investing only in China and diversify their business in other countries. This has been triggered by the rising costs of doing business in China, especially operating costs, the fragility of over-dependency of supply chains on Chinese goods exposed during the pandemic, and stricter environmental protection norms in China shutting down few chemical plants. Multinational companies are finding an alternative to China with their 'China plus one' strategy. Businesses are looking to take advantage of ASEAN countries and shift to cost effective markets with strong technological capabilities. India appears to be at the forefront of alternatives, especially when it comes to the pharma and specialty chemicals industries.

Due to recurring quality issues and supply disruptions in China following the COVID-19 pandemic, global customers are looking to widen their sourcing footprint to strengthen their supply chains and reduce country dependence. This has given an opportunity for markets like India to establish as a reliable sourcing option, thereby increasing its share in global CRAMS industry

**Long-term partnership with customers:** In custom synthesis and manufacturing industry, customers typically enter into confidentiality agreements with manufacturers, and, hence, prefer working with a few select manufacturers, which translates into a long-term relationship with the manufacturers

Also, the acquisition of a CRAMS partner is a long process as the parent company is required to register the manufacturer with regulatory bodies as a supplier of intermediate products or active ingredients. Also, from the product testing stage to the batch procurement phase, to the eventual customer approval stage, innovator companies usually take 12% to 24 months, depending on the product's complexity. Also, customers typically avoid sharing product-related information with numerous manufacturers to restrict the spread of confidential information, and, as a result, customers select manufacturers after carefully reviewing them, and tend to develop long-term relationships.

### Overview of select products

Select heterocyclic and fluoro organic compounds are produced by Survival Technologies which are employed as intermediates in the production of chemical products used in applications such pharmaceuticals, agrochemicals, biotech, polymers, X-ray films, and electronics. The descriptions of select products are as follows:

- 1-Ethyl-3-(3-dimethylaminopropyl) carbodiimide (“**EDC, EDAC or EDCI**”) is a water-soluble carbodiimide available as hydrochloride salt. It is used by pharmaceutical manufacturers in the development of drug products and for applications in health care and cosmetics products such as dermal fillers.
- Trimethylsilyl trifluoromethanesulfonate (“**TMSOTf**”) is an excellent catalyst for the acylation of alcohols with acid anhydrides. TMSOTf is an important medical and pesticide intermediate.
- Bromoacetonitrile is also an important reagent in the synthesis of several compounds, such as pharmaceuticals and agrochemicals.
- 5-bromovaleric acid and CYCLAM (1,4,8,11 tetraazacyclotetradecane) are used as drug synthesis intermediate.
- 4-Bromobenzenesulfonyl chloride is used as pesticide, pharmaceutical intermediates.
- Pyrimidine derivatives such as 5-bromo-2,4-dichloro pyrimidine is used as an intermediate for new anticancer agents.
- Alpha tetralol is a heterocyclic compound which is used as an intermediate of rodenticide coumatetralyl.
- TEMPO is chemically known as 2,2,6,6-Tetramethyl-1-piperidinyloxy or 2,2,6,6-tetramethylpiperidine-1-Oxyl. As a stable radical, it has applications throughout chemistry and biochemistry. TEMPO has a wide range of applications including use as intermediate for applications such as pharma intermediate, perfumery, polymer. It is used as a catalyst for the oxidation of primary alcohols to aldehydes in organic synthesis.

**Market size of select products in India and Global (Tons per annum, TPA)**

S.No	Product	Product type	Product category	Application	Market size India, TPA (FY22)	Market size Global, TPA (CY21)
1	Ethyl - 3 -(3-Dimethylaminopropyl) carbodiimide	Peptide coupling reagent	Intermediate	Agro, Cosmetics, Paints, Biotech, Pharma	50.6	512.0
2	Trimethylsilyl trifluoromethanesulfonate (TMSOTf)	Triflic derivative	Intermediate	Agro, Pharma	56.7	120.0
3	2-PYRIDYL TRIBROMOMETHYL SULFONE (BSP)	Triflic derivative	Intermediate	Polymers, X Ray Films (MRI)	0.0	55.0
4	Trifluoromethanesulfonic anhydride	Triflic derivative	Intermediate	Agro, Electronics, Polymer, Biotech, Pharma	12.0	110.0
5	Bromoacetonitrile	Laboratory reagent	Intermediate	Biotech, Pharma, Agro	13.7	44.1
6	4 BROMOBENZENESULFONYLCHLORIDE	Heterocyclic compound	Intermediate	Pharma	0.0	20.0
7	5-BROMO-2,4-DICHLORO PYRIMIDINE*	Heterocyclic compound	Intermediate	Pharma - Anti Cancer	0.0	25.0
8	5-BROMOVALERIC ACID	Laboratory reagent	Intermediate	Pharma	7.5	10.6
9	ALPHA TETRALOL	Heterocyclic compound	Intermediate	Rodenticide	0.0	17.2
10	CYCLAM (1,4,8,11 tetraazacyclotetradecane)	Heterocyclic compound	Intermediate	Pharma	0.1	2.5
11	2,2,6,6-tetramethylpiperidine N-oxyl (or known as TEMPO)s	Catalyst	Intermediate	Pharma, Perfumery, Agro	5.2	20.0

Note: \* India market for product 5-Bromo-2,4 Dichloro Pyrimidine in 2022 was nil but the market has started growing and expected to reach 1 to 1.2 Tons per annum (TPA) by 2023 as Survival Technologies have started limited domestic sales in 2023.

Source: CRISIL Research

### Survival Technologies' market positioning

Survival Technologies Limited, incorporated in 2005 by Vijay R Agarwal, manufactures fine and specialty chemicals for the global and domestic pharmaceutical, agrochemical, petrochemical, personal care, and electronics manufacturing sectors. The company's strong R&D set-up facilitates CRAMS, custom synthesis, and bulk production. It is one of the prominent companies in the country for fine and rare specialty chemicals, with an inventory of 1,500+ products and 800+ global clients. Through the sale of high value products, it is evident that the company has a significantly higher realization per kg vis-à-vis its peers with focus on CRAMS.

### Product Portfolio

The company has a diversified portfolio, with over 400+ active products in Fiscal 2022. It utilises processes, including those created via internal research, to manufacture fine and specialty chemicals. Many of the products it sells domestically are import substitutes that were earlier imported from countries like China.

It was one of the most profitable companies manufacturing speciality chemicals in India in Fiscal 2022, based on the analysis of the margins of Indian companies operating in the space. It is also one of the leading CRAMS companies in India, in terms of the manufacturing of select chemical products as of Fiscal 2022.

Survival Technologies focuses on select niche segments and products; for example, it is one of the few speciality chemical manufacturers in India manufacturing select products from the heterocyclic and fluoro organic product

group for sale in India and globally. Niche product groups such as these have high entry barriers owing to the capital-intensive nature and technicalities involved in manufacturing the products.

It also has market-leading position across several of its products. It is:

- one of the 12 manufacturers globally and the largest domestic producer of ethyl-3- dimethylaminopropyl carbodiimide;
- the only manufacturer globally to manufacture alpha tetralol; and
- the sole company in India making products such as 2-pyridyl tribromomethyl sulfone, 4-bromo benzene sulfonyl chloride, 5-bromo-2, 4-dichloro pyrimidine, cyclam, and tempo on a commercial scale.

Being the largest manufacturer for several niche chemical intermediates (as mentioned in the table below) in India, Survival Technologies is well-positioned to leverage the growing demand for its products globally, to grow its market share.

### Survival Technologies' market positioning for select products

Products	Key Applications	Domestic sales, tpa (FY22)	Exports tpa, (FY22)	Total sales tpa, (FY22)	Market position	India market share (FY22)	Global market share (CY21)
Ethyl - 3 -(3-Dimethylaminoprophyl) carbodiimide	Agro, cosmetics, paints, biotech, pharma	16.1	30.3	46.4	One of 12 producers globally; largest producer in India.	32%	9%
Trimethylsilyl trifluoromethanesulfonate (TMSOTf)	Agro, pharma	35.4	0.0	35.4	Only commercial scale producer in India	62%	29%
2-Pyridyl tribromomethyl sulfone (BSP)	Polymers, X-ray films	-	51.5	51.5		Not currently sold / consumed in India	94%
Trifluoromethanesulfonicanhydride	Agro, electronics, polymer, biotech, pharma	12.0	4.3	16.3		100%	15%
Bromoacetonitrile	Biotech, agro, pharma	4.4	6.4	10.7		32%	24%
4 Bromobenzenesulfonylchloride	Pharma	-	3.7	3.7		Not currently sold / consumed in India	19%
5-Bromo-2,4-dichloro pyrimidine	Pharma-anti cancer	-	8.2	8.2		Not currently sold / consumed in India	33%
5-Bromovaleric acid	Pharma	7.5	0.0	7.5		100%	71%
Alpha tetralol	Rodenticide	-	17.2	17.2		Not currently sold / consumed in India	100%
Cyclam (1,4,8,11 tetraazacyclotetradecane)	Pharma	0.1	0.0	0.1		100%	6%
2,2,6,6-Tetramethylpiperidine N-oxyl (or known as tempo)	Pharma, perfumery, agro	2.0	0.3	2.22		38%	11%

*Note: Commercial scale include ability to manufacture products in multi metric ton and excludes any experimental or pilot scale production which can range between grams to few kilograms*

- 1) Market share in India has been calculated on the basis of sales volume of the relevant product in India in Fiscal 2022, including sales in such period of such products imported into India.
- 2) Global market share has been calculated on the basis of total sales volume of relevant product during Fiscal 2022 divided by the global market size calculated in terms of sales volume of such product in Calendar Year 2021

Source: CRISIL Research

### **Manufacturing Competency**



The company has four manufacturing plants — two in Ankleshwar and one in Vapi in Gujarat, and one in Mahad, Maharashtra (under implementation). These manufacturing facilities are equipped with modern technologies and machinery to produce high quality pure intermediates and fine chemicals. It also has effluent treatment plants at its facilities. All its facilities are fungible across product categories, thereby compensating for any drop in demand of any one product, are regularly audited, and certified by clients, and are in proximity to ports, giving it logistical advantage; as exports comprise a high share, the facilities are strategically located at proximity to ports in Gujarat and Maharashtra.

### **Manufacturing Process**

The raw materials are charged continuously batch-wise with a catalyst in reactors of suitable capacity and design based on the type of reaction. Other technical parameters, such as temperature, pressure, and reaction time, are maintained based on the type of reaction to be carried out. When the reaction is complete, the product is analysed and subjected to further processing, which includes filtration, continuous/ batch distillation, and purification to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer. The company's ability to manufacture end-stage products ensures that their customers are required to undertake limited additional steps to produce the final API / final active ingredient.

### **Strong Customer Relationships**

The company has a strong customer base, which includes many leading domestic and global marquee names, such as Pfizer, Chori, BioSpectra, Sun Pharma, Dr Reddy's, BASF, and Evonik. By strategically matching the solutions with the customers' business objectives, the company ensures long-term partnerships. It also adds value to customers by reducing transition time and providing innovative solutions for synthetic chemistry requirements.

### **Research and Development**

The company has two R&D labs manned by a highly qualified team of 32 employees. It focuses on undertaking continuous R&D dedicated to manufacturing new products through complex chemistries from initial conceptualization to commercialization of a product where, it believes, there is continuous growth potential. Its continued focus on R&D has been instrumental in the growth of its operations and has improved its ability to customize products for its customers as well as reduce its cost of goods while maintaining its margins.

### **Reaction Capabilities**

The company has been widely acknowledged for its expertise in handling a wide variety of complex chemical reactions, ranging from advanced synthesis, catalysts, high pressure, organo-metallic, esterification, to macro cycle ethers, etc. Its understanding of complex chemistry has even enabled it to establish an alternative synthetic route of the production of non-infringing patents. Its R&D capabilities and manufacturing facilities have enabled it to develop core competencies in several chemistries, including complex chemistries such as heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, and electrophilic and nucleophilic fluorination using various fluorination reagents.

### **Focus on sustainability**

Survival has also been assessed and successfully completed the Together for Sustainability (TfS) audit which is an on-site examination of a company's business sites and practices. Together for Sustainability (TfS) is an international, non-profit association that supports and coordinates the measurement of sustainability performance of chemical companies and their suppliers. Results are shared with all TfS members, enhancing efficiency and cost-effectiveness while simultaneously encouraging industry-wide collaboration and continuous improvement. TfS members are chemical companies representing a global annual turnover of over Euro 600 billion as of November 2022 in the chemical industry.

### **Barriers to Market Entry**

The nature of the business in which the Company operates (CRAMS focused speciality chemical manufacturing), and especially niche products groups such as heterocyclic and fluoro organic compounds, is characterised by high entry barriers owing to its knowledge-intensive nature, expertise required to handle complex chemistries, ability to develop products to cater to a variety of industries, high-quality standards and stringent impurity specifications for processes and products capabilities. Moreover, some of the raw materials and intermediates are corrosive, thereby requiring a high degree of technical skill, expertise, and training to manage. In fact, the handling of raw materials used for the manufacture of products requires considerable training of employees, which creates additional

significant barriers to entry for a new player. This provides Survival Technologies with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers to effectively compete. In addition, given the nature and industry standards of the end-use products manufactured by customers, any change in the supplier may require significant time and expense for the customers, which acts as an entry barrier for any such change, i.e., a customer may require considerable amount of time to approve suppliers to ensure that all their quality norms are adhered to. Hence, due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources.

### Core Expertise

The company views expertise as a modern mantra for continual innovation. With their deep understanding of chemistry, they design and synthesise exotic and difficult-to-find intermediates, giving them a competitive advantage in terms of quality, cost, and regulatory requirements.

### Custom Synthesis

Capable of developing solutions in specific time frame for complex chemistry, it successfully undertakes custom synthesis right from lab scale to commercial production. Developing and synthesising hard to find intermediates, it has been recognised as the most preferred partner by leading MNCs from various sectors across the globe.

### Quality Control

It adheres to the highest quality standards at par with the latest international trends. From their stringent quality checks for raw materials, in-process, final product precisely in line with customers' specifications. It's list of valued patrons has been growing manifold over the last many years.

### Complex Chemistry and Technology

All products and technology to develop the end-product is developed in-house in its own R&D labs and no technology has been borrowed or acquired to ensure best quality and lower costs. Company endeavours to be backward integrated wherever possible to the basic materials and to undertake at least 2 to 3 stages of reactions. It employs advanced chemistries and guards the technology. R&D efforts focus on determining optimal production process for the intermediates they manufacture and the reduction of energy consumption this has helped them in lowering manufacturing cost. It prefers to be in complex chemistry requiring specialised know-how.

## FINANCIAL BENCHMARKING

CRISIL Research has compiled profiles of key players in the Indian specialty chemicals industry that are similar to Survival Technologies and have a focus on CRAMS or have pharmaceuticals as their key end-use application. Information in this section is sourced from company websites, including annual reports and investor presentations, regulatory filings, rating rationales and/or product brochures. The competitive landscape is based on player operations in India, comparable operating revenue, and availability of financial data of the players.

### Revenue from operations

Metric/company	Revenue from operations (Rs million)				Revenue CAGR (FY20-FY22)
	FY23 (Q1)	FY22	FY21	FY20	%
Survival Technologies	1,002.2	3,117.8	2,747.9	1,991.5	25.1
Alkyl Amines Chemicals	4,734.8	15,428.0	12,424.4	9,928.8	24.7
Neogen Chemicals	1,479.0	4,872.5	3,364.2	3,061.2	26.2
Aether Industries	1,600.1	5,900.5	4,498.2	3,018.7	39.8
Navin Fluorine	3,975.2	14,533.6	11,793.9	10,615.5	17.0

Source: CRISIL Research

Gross profit and gross margin

Metric/company	Gross profit (Rs million)				Gross margin (%)				Gross margin growth CAGR (FY20-FY22)
	FY23 (Q1)	FY22	FY21	FY20	FY23 (Q1)	FY22	FY21	FY20	%
Survival Technologies	547.8	1,615.0	1,188.9	831.3	54.8	51.8	43.3	41.7	39.4
Alkyl Amines Chemicals	2,411.7	7,072.4	7,193.0	5,083.8	50.9	45.8	57.9	51.2	17.9
Neogen Chemicals	662.0	2,122.8	1,387.9	1,220.2	44.8	43.6	41.3	39.9	31.9
Aether Industries	770.1	3,020.1	2,191.3	1,457.2	48.1	51.2	48.7	48.3	44.0
Navin Fluorine	2,152.4	7,877.3	6,420.2	5,777.3	54.1	54.2	54.4	54.4	16.8

Source: CRISIL Research

EBITDA

Metric/company	EBITDA (Rs million)				EBITDA margin (%)				EBITDA growth CAGR (FY20-FY22)
	FY23 (Q1)	FY22	FY21	FY20	FY23 (Q1)	FY22	FY21	FY20	%
Survival Technologies	328.7	919.0	696.5	349.1	32.9	29.5	25.3	17.5	62.3
Alkyl Amines Chemicals	1,158.5	3,265.2	4,291.3	2,570.2	24.5	21.2	34.5	25.9	12.7
Neogen Chemicals	246.5	865.9	643.6	580.5	16.7	17.8	19.1	19.0	22.1
Aether Industries	424.5	1,681.1	1,121.6	696.5	26.5	28.5	24.9	23.1	55.4
Navin Fluorine	991.3	3,548.1	3,092.9	2,634.9	24.9	24.4	26.2	24.8	16.0

Source: CRISIL Research

### Profit after tax

Metric/Company	PAT (Rs million)				PAT margin (%)				PAT growth CAGR (FY20-FY22)
	FY23 (Q1)	FY22	FY21	FY20	FY23 (Q1)	FY22	FY21	FY20	%
Survival Technologies	248.8	734.6	563.2	190.5	24.9	23.6	20.5	9.6	96.4
Alkyl Amines Chemicals	818.8	2,249.0	2,953.4	2,152.8	17.3	14.6	23.8	21.7	2.2
Neogen Chemicals	111.0	446.3	313.3	286.6	7.5	9.2	9.3	9.4	24.8
Aether Industries	306.2	1,089.3	711.2	396.1	19.1	18.5	15.8	13.1	65.8
Navin Fluorine	744.5	2,630.8	2,470.5	4,013.7	18.7	18.1	20.9	37.8	(19)

Source: CRISIL Research

### Return on equity and capital employed

Metric/Company	RoE (%)			RoCE (%)			Working capital cycle (days)		
	FY22	FY21	FY20	FY22	FY21	FY20	FY22	FY21	FY20
Survival Technologies	32.6	37.0	19.8	38.2	42.8	31.1	114.9	70.8	95.6
Alkyl Amines Chemicals	22.7	37.3	40.1	28.0	46.3	36.6	37.5	27.2	70.1
Neogen Chemicals	10.2	17.1	18.3	12.9	18.3	25.8	209.1	173.8	276.1
Aether Industries	28.2	40.8	38.3	28.9	34.8	32.3	218.8	146.3	153.1
Navin Fluorine	14.3	15.1	28.4	15.5	15.4	15.6	150.7	137.5	120.2

Source: CRISIL Research

### Gross fixed asset turnover ratio

Metric/company	Gross fixed asset turnover ratio		
	FY22	FY21	FY20
Survival Technologies	8.7	10.1	8.2
Alkyl Amines Chemicals	2.1	2.4	2.1
Neogen Chemicals	1.6	2.5	2.7
Aether Industries	2.1	1.9	2.2
Navin Fluorine	2.7	2.4	2.4

Source: CRISIL Research

### **Formulas Used**

*Operating EBITDA = PBT+ D&A + interest cost – other income*

*EBITDA margin (%) = EBITDA/ revenue from operations*

*PAT margin (%) = PAT/ revenue from operations*

*RoE = PAT/ shareholders' equity*

*RoCE = EBIT/ capital employed (total assets – current liabilities)*

*Working capital days = Inventory days + receivable days – payable days*

*Inventory days = Closing inventory\*365/COGS*

*Receivable days = Closing receivable\*365/revenue from operations*

*Payable days = Closing payables\*365/COGS*

*Gross profit = Revenue from operation – COGS*

*Gross margin = Gross profit/revenue from operations*

*Gross fixed asset turnover ratio = Revenue from operations/ gross fixed asset*

### **Survival Technologies' Financial Positioning**

- Revenue from operations increased to ₹ 3,118 million in Fiscal 2022 from ₹ 1,991 million in Fiscal 2020, which was a CAGR of approximately 25.1%.
- Gross profit increased to ₹ 1,615 million in Fiscal 2022 from ₹ 831 million in Fiscal 2020, which was a CAGR of approximately 39%.
- Gross margin improved significantly between Fiscals 2020 and 2022, from 41.7% to 51.8%, thereby recording the 2<sup>nd</sup> highest gross margin vis-à-vis all peers in Fiscal 2022.
- EBITDA margin strengthened to 29.5% in Fiscal 2022 from 19.1% in Fiscal 2020, the highest among identified peers in Fiscal 2022.
- PAT rose to ₹ 736.7 million in Fiscal 2022 from ₹ 190.5 million in Fiscal 2020, which was a CAGR of 96.4%, the highest among all peers.
- PAT margin improved significantly between Fiscals 2020 and 2022, thereby recording the highest margin vis-à-vis all peers in Fiscal 2022.
- The company's capital efficiency improved over Fiscal 2020 to 2022, highlighted by improvement in RoCE (31.11% to 38.2%).
- The company posted the highest asset turnover among considered peers in Fiscal 2022, which was largely the result of its focus on high-value products and high-capacity utilisation of its facilities.
- STL was one of the most profitable companies manufacturing speciality chemicals in India in Fiscal 2022, based on the above analysis of the margins of Indian companies operating in the space.
- The Company also recorded the highest return ratios (ROE and ROCE) in Fiscal 2022, amongst the above considered peers.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 25 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 233 and 308, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or unless context requires, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Information” on page 233. Additionally, refer to “Definitions and Abbreviations” on page 5 for certain terms used in this section.*

*Unless otherwise indicated or unless context requires otherwise, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Assessment of the heterocyclic and fluoro-organic compounds industry” dated December 23, 2022 (the “CRISIL Report”) prepared and issued by CRISIL Limited appointed on August 18, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at <http://survivaltechnologies.in/investor-relations>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose.” on page 55. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 20.*

### Overview

We are a contract research and manufacturing services (“CRAMS”) focused speciality chemical manufacturer in India. (Source: CRISIL Report) We are one of the leading CRAMS companies in India in terms of manufacturing of select chemical products as of March 31, 2022. (Source: CRISIL Report) We are engaged in the supply of specialty chemicals with multiple applications and many products we sell domestically are import substitutes that were formerly imported from China. (Source: CRISIL Report) We are one of the few speciality chemical manufacturers in India manufacturing select products from the heterocyclic and fluoro organic product groups for sale in India and globally. (Source: CRISIL Report) We engage with customers across their product lifecycles, i.e., providing extensive in-house research for development of products, commercial scale process development, and manufacture of commercial quantities of products. Between April 1, 2007 and March 31, 2022, we synthesized 677 products of which over 500 products have been commercially produced and sold to various customers across our export markets.

Our continued focus on R&D has been instrumental to the growth of our operations and has improved our ability to customize products for our customers as well as reduce our cost of material consumed while maintaining our margins. Our R&D capabilities and multiple manufacturing facilities have enabled us to develop core competencies in a number of chemistries in-house, including complex chemistries such as heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, electrophilic and nucleophilic fluorination using various fluorination reagents. Our in-house capabilities towards developing complex chemistries have enabled us to develop a unique product portfolio which includes niche product groups such as heterocyclic and fluoro organic compounds, where we are the sole company in India making products such as 2-pyridyl tribromomethyl sulfone, 4-bromo benzene sulfonyl chloride, 5-bromo-2, 4-dichloro pyrimidine, cyclam and tempo on a commercial scale. (Source: CRISIL Report). We are also one of 12 manufacturers globally and the largest domestic producer of ethyl-3-dimethylaminopropyl carbodiimide and the only manufacturer globally of alpha tetralol (Source: CRISIL Report).

We undertake CRAMS for various international and domestic companies. Under such arrangements with customers, our R&D team develops products in our R&D laboratories for companies as per specifications provided by customers and we do not charge any development costs to customers, ensuring that proprietary information and technical know-how associated with the R&D rests with our Company. Further, we undertake custom manufacturing for our customers from our existing product portfolio.

The table below provides details of our revenue from operations generated from CRAMS and other custom manufacturing in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Services Category	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)
CRAMS*	1,099.53	55.21%	1,506.36	54.82%	1,628.78	52.24%	445.20	44.51%
Other Custom Manufacturing**	872.12	43.79%	1,218.44	44.34%	1,419.65	45.53%	544.79	54.57%

\* Our contract research and manufacturing services represents end-to-end product development based on the request of a customer to develop such product which has not been manufactured by us prior to such request. We commence with understanding the chemistry to develop the engineering process required for the product and also manage its packaging and labelling once developed.

\*\* Other custom manufacturing represents manufacturing of products at the request of a customer based on their requirements and specifications from our existing portfolio of products.

# Does not include export incentives relating to CRAMS and/or other custom manufacturing as such information is not ascertainable.

We believe that our focus on identification of niche products, with limited competition, co-development with our customers coupled with our chemistry capabilities, have led to our market-leading position across several products.

The table below sets forth certain information for select products, their applications, and our market position in India and globally:

Product	Key Applications	Domestic sales, TPA (Fiscal 2022)	Exports TPA, (Fiscal 2022)	Total sales TPA, (Fiscal 2022)	Market position	Our Market Share in India (Fiscal 2022) <sup>(1)</sup>	Our Global Market Share (Calendar Year) <sup>(2)</sup>
Ethyl - 3 -(3-Dimethylaminopropyl) carbodiimide	Agrochemicals, cosmetics, paints, biotech, pharmaceutical	16.1	30.3	46.4	One of the 12 producers globally; largest producer in India.	32%	9%
Trimethylsilyl trifluoromethanesulfonate (TMSOTf)	Agrochemicals, pharmaceutical	35.4	0.0	35.4	Only commercial scale producer in India	62%	29%
2-Pyridyl tribromomethyl sulfone (BSP)	Polymers, X-ray films	-	51.5	51.5		Not currently sold / consumed in India	94%
Trifluoromethanesulfonic anhydride	Agrochemicals, electronics, polymer, biotech, pharmaceutical	12.0	4.3	16.3		100%	15%

Product	Key Applications	Domestic sales, TPA (Fiscal 2022)	Exports TPA, (Fiscal 2022)	Total sales TPA, (Fiscal 2022)	Market position	Our Market Share in India (Fiscal 2022) <sup>(1)</sup>	Our Global Market Share (Calendar Year) <sup>(2)</sup>
Bromoacetonitrile	Biotech, agrochemicals, pharmaceutical	4.4	6.4	10.7		32%	24%
4 Bromobenzenesulfonylchloride	Pharmaceutical	-	3.7	3.7		Not currently sold / consumed in India	19%
5-Bromo-2,4-dichloro pyrimidine	Pharmaceutical-anti cancer	-	8.2	8.2		Not currently sold / consumed in India	33%
5-Bromovaleric acid	Pharmaceutical	7.5	0.0	7.5		100%	71%
Alpha tetralol	Rodenticide	-	17.2	17.2		Not currently sold / consumed in India	100%
Cyclam (1,4,8,11 tetraazacyclotetradecane)	Pharmaceutical	0.1	0.0	0.1		100%	6%
2,2,6,6-Tetramethylpiperidine N-oxyl (or known as tempo)	Pharmaceutical, perfumes, agrochemical	2.0	0.3	2.22		38%	11%

Note: Commercial scale include ability to manufacture products in multi metric ton and excludes any experimental or pilot scale production which can range between grams to few kilograms

<sup>(1)</sup> Market share in India has been calculated on the basis of sales volume in India in Fiscal 2022 of the relevant product, including sales in such period of such product imported into India.

<sup>(2)</sup> Global market share has been calculated on the basis of total sales volume of our relevant product during Fiscal 2022 divided by the global market size calculated in terms of sales volume of such product in calendar year 2021.

(Source: CRISIL Report)

Further, we have an extensive customer base and established strong relationships with a range of customers. As of June 30, 2022, we had served 201 customers. We believe that the diversification of our end-use customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business operations and prospects. Our key customers include multinational corporations such as Evonik Industries AG (“**Evonik**”), Chori Co. Limited (“**Chori**”), BioSpectra Inc. (“**BioSpectra**”), LBB Specialities, Procos, MOEHS Iberica, S.L., Sumitomo Corporation, Synthetics USA, LLC, Alzchem Trostberg GmbH and domestic companies such as Lee Pharma Limited, MSN Laboratories Private Limited, Sai Life Sciences Limited, and Dr. Reddy’s Laboratories.

We service our customers through our three manufacturing facilities, two of which are located in Ankleshwar, Gujarat and one located in Sarigam, Gujarat. All of our manufacturing facilities are fungible with capability to manufacture our entire product portfolio. Our facility at Sarigam, Gujarat is ISO 9001:2015 and GMP certified. Our facilities are equipped with advanced infrastructure including reactors and automated systems that ensure efficiency in our manufacturing process. We intend to scale our annual capacity to manufacture products by establishing a new manufacturing facility in Mahad, Maharashtra. Towards this, we have acquired land with certain basic infrastructure



spread across an area of 32,858 square meters and are in the process of applying for relevant government approvals.

We focus on sustainability in our operations, and have instituted environment, health and safety and governance systems. Our environmental conservation efforts are centred around optimizing our energy consumption, and reducing waste, in compliance with applicable laws. As an example of our sustainability efforts, we have been assessed under and successfully completed the Together for Sustainability (“TfS”) audit which is an on-site examination of a company’s business sites and practices.

We were one of the most profitable companies manufacturing speciality chemicals in India in Fiscal 2022 based on the analysis of the margins of Indian companies operating in the speciality chemicals industry. (Source: CRISIL Report) Our revenue from operations have grown at a CAGR of 25.12% from ₹ 1,991.46 million in Fiscal 2020 to ₹ 3,117.82 million in Fiscal 2022 and was ₹ 1,000.20 million in the three months ended June 30, 2022. Our profit for the period / year was ₹ 190.54 million, ₹ 563.20 million, ₹ 734.62 million and ₹ 248.79 million in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively. Our profit after tax margin was 9.57%, 20.50%, 23.56% and 24.87% in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively.

We have an experienced management and leadership team led by our Chairman and Whole-time Director, Vijaykumar Raghunandanprasad Agrawal, who has over four decades of experience in the speciality chemicals sector and is actively involved in the critical aspects of our business, including leading our R&D efforts. Our Managing Director and Chief Executive Officer, Nimai Vijay Agrawal has over 17 years of experience in the speciality chemicals sector and is responsible for business development efforts and has been instrumental in the growth of our customer base.

Our professional senior management team also has significant industry experience and has demonstrated the ability to deliver growth and profitability. Our senior management team includes our Director Finance and Strategies and Chief Financial Officer, Dinesh Bhalotia who is an associate member of the Institute of Chartered Accountants of India and Senior Vice President - Research and Development, Dr. Kishor More, a PhD in chemistry with over 20 years of experience.

#### *Market opportunity*

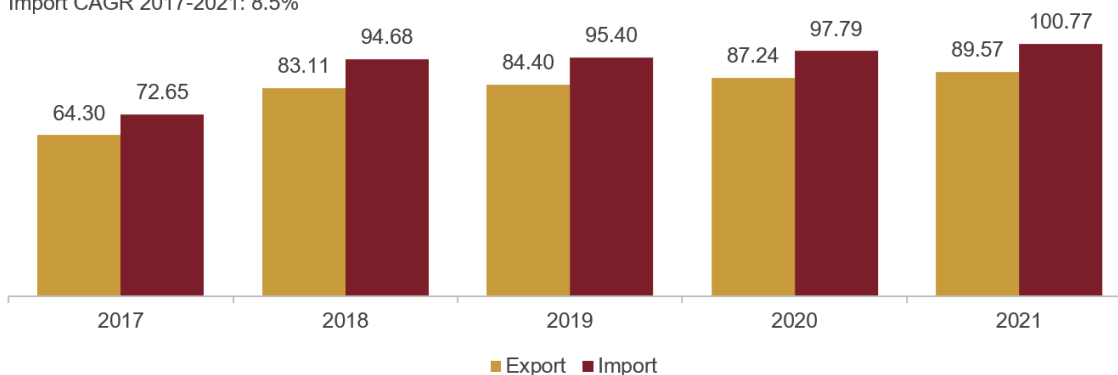
We operate in the speciality chemicals industry, which are low-volume, high-value chemicals with specific applications classified based on end-user industries. (Source: CRISIL Report) Speciality chemicals are produced through extensive R&D and typically are synthesized using multiple step reactions as compared to one or two steps in the case of commodity chemicals. (Source: CRISIL Report) The speciality chemicals industry was valued between US\$750 billion and US\$ 770 billion globally in 2021 and clocked a CAGR of 3% to 4% between 2016 and 2021. (Source: CRISIL Report)

India’s speciality chemical industry is expected to post 10% to 12% CAGR between 2021 and 2026 owing to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China. (Source: CRISIL Report) In contrast, markets such as the Americas, Europe and Japan are expected to clock less than 3% CAGR over the next five years because of the industry saturation in these regions. (Source: CRISIL Report) India is well-positioned to drive growth in the speciality chemicals industry, given its abundant supply of labour, land, feedstock, and established legal and regulatory framework. (Source: CRISIL Report) Further, Indian companies with strong safety, health and environment measures, robust R&D and project management, and integration are well-poised to leverage opportunities in this space. (Source: CRISIL Report)

Heterocyclic compounds constitute nearly 50% of known organic compounds and nearly 90% of active pharmaceuticals and several heterocyclic compounds have applications in agriculture as insecticides, fungicides, herbicides and pesticides., etc. (Source: CRISIL Report) The global export and import of heterocyclic compounds were valued at US\$ 89.57 billion and US\$ 100.77 billion in 2021, and have grown at 8.6% and 8.5% CAGR, respectively, between 2017 and 2021. (Source: CRISIL Report)

### **Global heterocyclic compound export and import (US\$ billion)**

Export CAGR 2017-2021: 8.6%  
Import CAGR 2017-2021: 8.5%



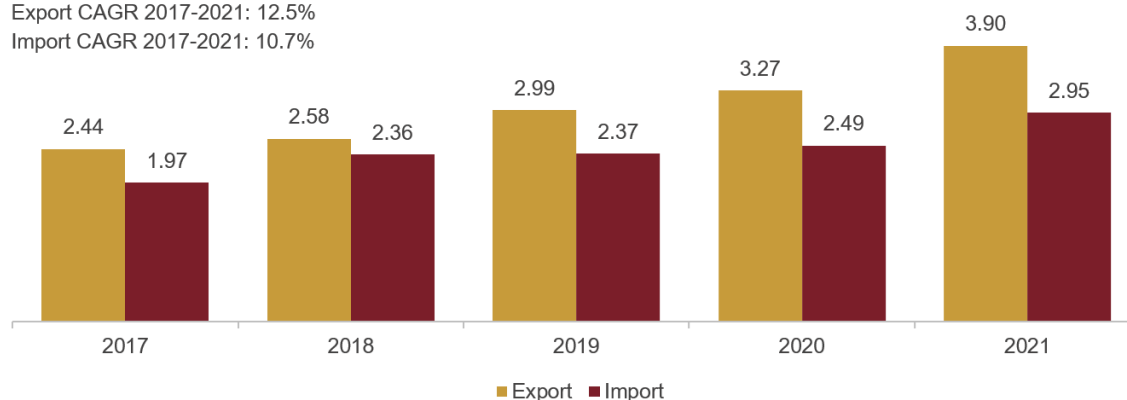
Source: CRISIL Research

Note: Data for each calendar year

### **India heterocyclic compound export and import (US\$ billion)**

A significant portion of current research on organic semiconductors involves heterocyclic building blocks. (Source: CRISIL Report) Custom fine chemical producers are in a good position to facilitate scale-up of the technology with exceptionally high purity profiles given their historical expertise in manufacturing high purity chemicals using heterocyclic synthesis for the agriculture and pharmaceutical industries. (Source: CRISIL Report)

Export CAGR 2017-2021: 12.5%  
Import CAGR 2017-2021: 10.7%



Source: CRISIL Research

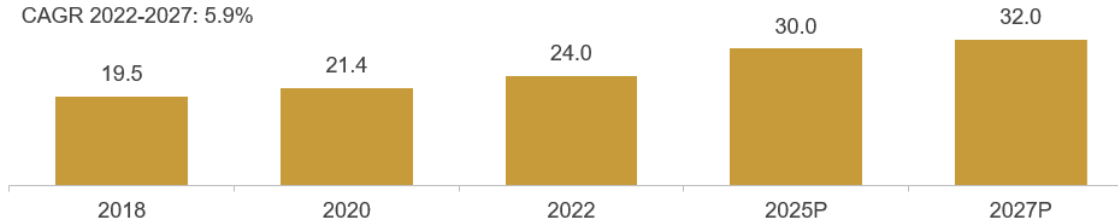
Note: Data for each calendar year

India's exports and imports of heterocyclic compounds were valued at \$3.90 billion and \$2.95 billion in 2021, growing at 12.5% and 10.7% CAGR, respectively, between 2017 and 2021. (Source: CRISIL Report)

Further, the global fluoro organic compound market is valued at US\$ 24 billion in 2022, and expected to reach US\$ 32 billion by 2027, expanding at 5.9% CAGR between 2022 and 2027. (Source: CRISIL Report) The rise in refrigeration demand across a variety of end-user industries is a key factor driving the fluorochemicals market's expansion. Market expansion is supported by an increase in the number of organic fluorochemical applications in the healthcare, pharmaceutical, and automotive industries. (Source: CRISIL Report)

### **Global fluoro organic compound market growth trajectory (US\$ billion)**

CAGR 2018-2022: 5.3%  
CAGR 2022-2027: 5.9%



P: Projected

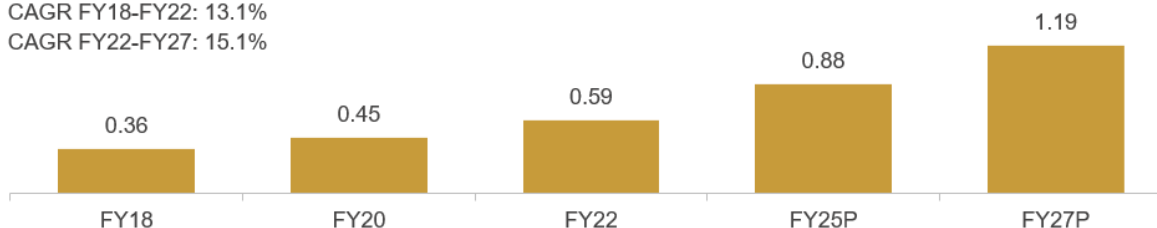
Note – Data for each calendar year

Source: CRISIL Research

The India fluoro organic market was valued at US\$ 0.59 billion in 2022, and is expected to reach US\$ 1.19 billion by 2027, registering 15.1% CAGR. (Source: CRISIL Report)

### **India fluoro organic compound market growth trajectory (US\$ billion)**

CAGR FY18-FY22: 13.1%  
CAGR FY22-FY27: 15.1%



P: Projected

Note – Data for each fiscal year, Market size is based on consumption

Source: CRISIL Research

### ***Competitive Strengths***

#### ***Leading contract research and manufacturing service speciality chemicals player with focus heterocyclic and fluoro product groups***

We are a CRAMS focused speciality chemical manufacturer in India. (Source: CRISIL Report) We are one of the leading CRAMS companies in India in terms of the manufacturing of select chemical products as of March 31, 2022. (Source: CRISIL Report) We are one of the few speciality chemical manufacturers in India manufacturing select products from the heterocyclic and fluoro organic product group for sale in India and globally. (Source: CRISIL Report) The products we manufacture have applications across various industries including agrochemicals, pharmaceuticals, biotech, paints, and polymers, and have a variety of end-uses including x-ray films and rodenticide. (Source: CRISIL Report) While products we manufacture are not the final active pharmaceutical intermediates (“APIs”) used in end-user industries, they are typically high-up in the value chain and close to final stage or N -1, N -2 or N -3 stages (where N is the final product), i.e., high value added. Our ability to manufacture end-stage products ensures that our customers are required to undertake limited additional steps to produce the final APIs.

We undertake CRAMS for various multinational and domestic companies. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, revenue from operations from CRAMS was ₹ 1,099.53 million, ₹ 1,506.36 million, ₹ 1,628.78 million, and ₹ 445.20 million, respectively, which accounted for 55.21%, 54.82%, 52.24% and 44.51%, respectively of our revenue from operations in such years/period. Under our CRAMS vertical, our R&D team works independently based on customer requirements to develop products at our R&D laboratories. As part of our typical process, once we receive an order to develop a particular product, we synthesize chemicals to decide whether it is viable to develop the product and typically respond to customers within 48 hours. We believe our technical know-how and ability to address customer requirements has been instrumental in ensuring repeat customers. We leverage the technical know-how developed and created as a part of our R&D efforts to grow our

product portfolio and accordingly, our customer base. Products developed in our CRAMS operations ensure business stickiness as well as longstanding relationship with customers. This is substantiated by way of the following case studies below:

<u>Case Studies</u>
<p><i>Case Study A</i></p> <p><i>An example of our CRAMS capabilities include an instance where a customer from India had approached us to develop a new intermediate for a laser dye by ensuring non-patent infringement. We developed the product through a complex 13-step synthesis and our products were subsequently approved by the customer. We initially exported 50 kilograms - 100 kilograms of the products which quantity grew to 1,500 kilograms in Fiscal 2020. In Fiscal 2023, the customer has placed an additional order for 1,000 kilograms.</i></p>
<p><i>Case Study B</i></p> <p><i>One of our customers from Germany approached us to develop a new intermediate. We developed the product through a three-step synthesis process. We submitted the sample and once approved, the customer placed a trial order for 100 kilograms followed by a commercial order. As of June 30, 2022, we had supplied over 5 MT of the product cumulatively to the customer. As a further reflection of our capabilities and quality of our products, we have recently entered into a purchase order for the supply of an additional 11 MT to such customer to be delivered over the course of next few months.</i></p>

We believe that our leading market position across several of our products is attributable to our competencies and capabilities in developing chemistries and technology, which have helped us optimize production, enhance yields and ensure long-term relationships with our customers, continuous product and process improvisation and innovation led by our R&D capabilities. Our R&D capabilities and manufacturing facilities have enabled us to develop core competencies in several chemistries, including complex chemistries such as heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, and electrophilic and nucleophilic fluorination using various fluorination reagents. (Source: CRISIL Report)

The niche and high value nature of the products we manufacture and supply is indicated by our average sales realizations. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our average sales realization per kilogram (calculated as quantity of products sold divided by total domestic and export sales) was ₹ 1,470.56, ₹ 1,509.85, ₹ 1,781.53 and ₹ 2,419.91, respectively. Through the sale of high value products, it is evident that our Company has a significantly higher realization per kilogram compared to our peers with focus on CRAMS (Source: CRISIL Report)

We have been widely acknowledged for our expertise in handling a wide variety of complex chemical reactions, ranging from advanced synthesis, catalysts, high pressure, organo-metallic, esterification, to macro cycle ethers. (Source: CRISIL Report) Further, our understanding of complex chemistry has enabled us to establish an alternative synthetic route for the production of non-infringing patents (Source: CRISIL Report).

We believe that our market-leading position across several of our products offers us advantages such as cost efficiency due to in-house R&D processes, economies of scale, competitive product pricing, ability to scale our business, ensure customer loyalty and stickiness and expand our product portfolio into new end-use cases.

***Established competence in multiple, complex chemistries through continuous research and development***

We focus on undertaking continuous R&D to develop new products through complex chemistries which includes initial conceptualization to commercialization of a product. Our continued focus on R&D has been instrumental to the growth of our operations and has improved our ability to customize products for our customers as well as reduce our expenses while maintaining our margins. The various chemistries handled by our R&D laboratories include heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, electrophilic and nucleophilic fluorination using various fluorination reagents. We believe our R&D capabilities enable us to explore, among others, green and continuous flow chemistry processes, which we believe will offer us competitive advantages going forward.

We believe, our R&D efforts enable us to maintain our competitive position as well as address evolving customer requirements and business models. As of June 30, 2022, our Company was in the process of developing six new products while three new products were at the pilot stage. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our expenditure on R&D was ₹ 34.16 million, ₹ 44.07 million, ₹ 134.22 million and ₹ 104.10 million, respectively which accounted for 1.72%, 1.60%, 4.30% and 10.41% of our revenue from operations.

We commenced operations at our in-house R&D laboratory located at Ankleshwar, Gujarat in 2007 and have recently set up our second in-house R&D laboratory in 2022 at Bhiwandi, Maharashtra. One of our R&D laboratories located at Ankleshwar, Gujarat has in the past been recognized by Department of Scientific and Industrial Research (“DSIR”). We have made an application with the DSIR for renewal of such recognition for such facility. We have also made an application with the DSIR for recognition of our R&D laboratory located at Bhiwandi. Our R&D laboratories are equipped with modern synthesis equipment such as high-performance liquid chromatography with UV detector, gas chromatography with flame ionization detector, ultraviolet spectrophotometer, infra-red spectrophotometer, melting point apparatus among others that are supplemented with modern analytical tools and instruments for day to day activities. Our analytical capabilities include critical quality control measures, stability studies, and method validation. In addition, we engage with independent laboratories for testing our products. Further, we also have a smaller facility that is operated on a pilot basis where we manufacture our products for testing before final commercial production of products that we develop.

As of June 30, 2022, our R&D team comprised 30 employees with 23 having doctorates and/or Master of Sciences degrees in chemistry. We believe that our strong R&D capabilities provide us significant competitive advantages making us a preferred partner for our customers to engage us to manufacture their products. Our R&D efforts place significant emphasis on improving our production processes, augmenting the quality of our existing products, and conducting safety studies for new molecules often driven by specific customer requirements.

***Diversified business model with high entry barriers***

Our business model ensures we are well diversified across industries and minimises the risk of any adverse developments or material changes in the economic outlook in any one market or industry. Our large scale manufacturing of products and intermediates, CRAMS and other custom manufacturing ensures that we benefit from each of our activities. We target our customers to whom we supply our products for our CRAMS and other custom manufacturing services. The scale of our manufacturing operations ensures that we are able to benefit by negotiating competitive pricing with suppliers.

Through our R&D initiatives, we have been successful in expanding our product portfolio over the years. Through our in-house product development efforts, between April 1, 2007 and March 31, 2022, we synthesized 677 products of which over 500 products have been commercially produced and sold to various customers across our export markets. The table below provides contribution of our top three, top five and top 10 of our products to our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Product Category*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 3	326.60	16.40%	524.38	19.08%	575.98	18.47%	292.83	29.28%
Top 5	487.85	24.50%	779.20	28.36%	850.44	27.28%	412.47	41.24%
Top 10	790.92	39.72%	1,212.34	44.12%	1,339.38	42.96%	568.55	56.84%

\*Products may vary across Fiscals / period and does not refer to the same products across all Fiscals / period and depend on the specific requirement of a particular product by our customer in the relevant Fiscal / period.

During the three months ended June 30, 2022, we exported our products to 13 countries, with a majority share of our exports coming from regulated markets such as North America and Europe, indicating the high-quality standards of our products. Our revenue from operations from export market and Deemed Exports have increased from ₹ 597.01 million and ₹ 222.38 million in Fiscal 2020, respectively, in aggregate representing 41.15% of our revenue from operations at a CAGR of 27.05% to ₹ 965.98 million and ₹ 356.62 million, respectively, in aggregate representing 42.43% of our revenue from operations in Fiscal 2022. Revenue from operations from export market and Deemed Exports were ₹ 350.63 million and ₹ 141.21 million, respectively, in the three months ended June 30, 2022 in aggregate representing 49.18% of our revenue from operations in such period.

The table below provides a geographic split of our revenue from operations from domestic sales, and export sales and Deemed Exports, respectively, in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Geography	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
<i>Domestic</i>								
India – Domestic	1,152.27	57.86%	1,411.24	51.36%	1,725.83	55.35%	498.16	49.80%
Total (A)	1,152.27	57.86%	1,411.24	51.36%	1,725.83	55.35%	498.16	49.80%
<i>Exports<sup>(1)</sup></i>								
North America <sup>(2)</sup>	171.79	8.63%	339.50	12.35%	423.03	13.57%	230.89	23.09%
Europe <sup>(3)</sup>	306.33	15.38%	478.90	17.43%	515.91	16.55%	98.50	9.85%
China	7.93	0.40%	0.32	0.01%	18.68	0.60%	1.20	0.12%
Rest of Asia <sup>(4)</sup>	110.95	5.57%	53.52	1.95%	8.36	0.27%	20.04	2.00%
Total (B)	597.00	29.98%	872.24	31.74%	965.98	30.99%	350.63	35.06%
Deemed Exports <sup>(5)</sup> (C)	222.38	11.17%	441.33	16.06%	356.62	11.44%	141.21	14.12%
Total (D) (B+C)	819.38	41.15%	1,313.57	47.80%	1,322.60	42.43%	491.89	49.18%
<b>Total E (A + D)</b>	<b>1,971.65</b>	<b>99.01%</b>	<b>2,724.81</b>	<b>99.16%</b>	<b>3,048.43</b>	<b>97.78%</b>	<b>989.99</b>	<b>98.98%</b>

<sup>(1)</sup> Export does not include Deemed Exports.

<sup>(2)</sup> North America includes United States of America and Mexico. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(3)</sup> Europe includes Austria, Belgium, Switzerland, Czech Republic, England, France, Germany, Spain, Ireland, Italy, and Sweden. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(4)</sup> Rest of Asia includes Japan, Malaysia, and United Arab Emirates (Dubai). The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(5)</sup> Deemed Exports refers to sales to SEZ units, sales to export oriented units and high sea sales.

The nature of the business in which we operate (i.e., CRAMS focused speciality chemical manufacturing), and in particular niche products groups such as heterocyclic and fluoro organic compounds, is characterised by high entry barriers owing to its knowledge-intensive nature, expertise required to handle complex chemistries, ability to develop products to cater to a variety of industries, high-quality standards and stringent impurity specifications for processes and products capabilities. (Source: CRISIL Report) Moreover, some of the raw materials and intermediates that we use are corrosive and require a high degree of technical skill, expertise, and training to manage such chemicals. (Source: CRISIL Report) The handling of raw materials used for the manufacture of our products requires considerable training to our employees, which creates additional significant barriers to entry for a new player. (Source: CRISIL Report)

In addition, given the nature and industry standards of the end-use products manufactured by our customers, any change in the supplier may require significant time and expense for customers, which also acts an entry barrier for new players. (Source: CRISIL Report) Customer may require considerable amount of time to approve suppliers to ensure that all their quality norms are adhered to. (Source: CRISIL Report) Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. (Source: CRISIL Report) This provides us with an advantage over new entrants who would need to make significant investments and endure a long gestation period with potential customers in order to compete effectively. (Source: CRISIL Report) Accordingly, customer acquisition is a challenge and the number of competitors involved in manufacturing of products similar to products manufactured by us is limited. Additionally, our CRAMS activities allow us to engage with analytical research and development teams of our customers leading to additional projects and products across our verticals.

***Well established and long-standing relationships with marquee customer base***

We have established long-standing relationships with certain key customers. Our key customers include multinational corporations such as Evonik, Sumitomo Corporation, Chori, BioSpectra, LBB Specialities, Procos, MOEHS Iberica, S.L., Synthetics USA, LLC, Alzchem Trostberg GmbH and domestic companies such as Lee Pharma Limited, MSN Laboratories Private Limited, Sai Life Sciences Limited, Godrej and Dr. Reddy's Laboratories. In addition, customers served by us have grown from 387 customers in Fiscal 2020 to 434 customers served in Fiscal 2022 and were 201 customers in three months ended June 30, 2022. All of our top 20 customers that we have served as of June 30, 2022, have been associated with us for at least two years and with certain of such customers associated with us for over seven years. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

We believe that the diversification of our customers across various industries has enabled us to minimize the impact of industry-specific disruptions on our business. It also ensures that our revenues are consistent across periods with our customers having different business or industry cycles. Further, we have low customer revenue concentration and our reliance on any single customer is limited.

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Customer Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	112.35	5.64%	217.99	7.93%	268.30	8.61%	174.04	17.40%
Top 5	386.29	19.40%	652.59	23.75%	779.25	24.99%	411.64	41.16%
Top 10	603.79	30.32%	962.14	35.01%	1104.66	35.43%	581.82	58.13%

\*Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal / period.

We believe that our responsiveness coupled with innovative and quality product offerings have enabled us to successfully establish our market presence and nurture customer relationships. The table below sets forth the number of new customers acquired by us in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Fiscal/Period	New Customers Acquired*
Fiscal 2020	13
Fiscal 2021	15
Fiscal 2022	10
Three months ended June 30, 2022	18

\* New customers acquired represent customers we have made sales to for the first time during the relevant Fiscal / period.

Our enduring customer relationships have helped us expand our product portfolio and geographic reach. Our long-term active engagement with key customers ensures steady revenue, allowing us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base, which has helped us to achieve sustainable growth and profitability.

#### ***Focus on manufacturing quality products, with modern infrastructure and a robust supply chain***

We currently have three manufacturing facilities with two facilities located in Ankleshwar, Gujarat and one located in Sarigam, Gujarat. The strategic location of our facilities near major highways, ports, and rail routes provides us with cost and logistical advantages.

The infrastructure at our manufacturing facilities includes modern machinery and equipment such as reactors, and centrifuges which enable our facilities to undertake various process chemistries. In addition, all of our manufacturing facilities are fungible and based on market dynamics and availability of raw materials, are capable of manufacturing wide variety of products which ensures flexibility in manufacturing our products.

We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. We follow strict process control guidelines and international industry standards and practices at our Unit

III located at Sarigam, Gujarat which is ISO 9001:2015 and GMP certified. We perform stringent internal and external quality tests on our manufactured products. We have an in-house quality control team that routinely conduct various tests including random sampling check and quality check internally. Further, certain of our products are Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (“REACH”) certified enabling us to successfully enter into highly regulated markets and adhere to international regulatory standards to sell our products. The quality of our products is further corroborated by the fact that we have not experienced any material product returns in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022.

We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards. We focus on minimizing the social and environmental impact of our manufacturing operations and have established dedicated effluent treatment plants at Unit III located at Sarigam, Gujarat while Unit I and Unit II located at Ankleshwar, Gujarat are connected to a common effluent treatment plant operated by a third party. Such initiatives result in reduced effluent and solid hazardous waste due to effective raw material and solvent and water consumption required for our manufacturing operations. We also monitor on a real-time basis all discharges from our operations at Unit III. This further reduces our dependence on external agencies for environmental compliance. Further, we have also been assessed and successfully completed the TfS audit which is an on-site examination of a company’s business sites and practices.

We primarily source our raw materials from third parties for our manufacturing facilities with majority of them being procured from domestic suppliers. We have implemented standard operating procedures for new vendor selection for supply of raw materials. Prior to finalising our arrangement with vendors we typically test a sample of raw materials for testing and do a laboratory experiment verification to test the quality of the key raw materials. Only after successful development trials, we approve a vendor as an approved supplier for our raw materials further establishing the quality process that we employ for the manufacture of our products. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, the cost of materials consumed was ₹ 1,202.44 million, ₹ 1,545.78 million, ₹ 1,582.49 million and ₹ 437.22 million, and represented 60.38%, 56.25%, 50.76% and 43.71%, respectively, of our revenue from operations. Our imported raw materials, amounted to ₹ 718.29 million, ₹ 1,098.43 million, ₹ 794.19 million and ₹ 235.26 million, and accounted for 57.90%, 68.45%, 46.40% and 42.59% of our total raw materials purchased in Fiscal 2020, 2021 and 2022 and in three months ended June 30, 2022, respectively.

Further, we are also engaged in backward integration in synthesizing key raw materials which we typically import from outside India which enables us to manufacture key raw material which reduces our reliance on imports, third party supplies and logistics costs, providing us the flexibility to control our manufacturing processes and improve our operating margins.

### ***Track record of robust financial performance***

We were one of the most profitable companies manufacturing speciality chemicals in India in Fiscal 2022 based on the analysis of the margins of Indian companies operating in the speciality chemicals industry. (*Source: CRISIL Report*) We have demonstrated consistent growth in terms of revenues and profitability and have organically grown our operations. Over the last three years, we have focused our attention towards manufacturing products with higher gross margin and high value products which has resulted in an increase in our revenue from operations and profit for the period / year. Our average sales realization have also increased from ₹ 1,470.56 per kilogram in Fiscal 2020 to ₹ 1,509.85 in Fiscal 2021 which further increased to ₹ 1,781.53 per kilogram in Fiscal 2022 and was ₹ 2,419.91 per kilogram in the three months ended June 30, 2022.

Our revenue from operations have grown at a CAGR of 25.12% from ₹ 1,991.46 million in Fiscal 2020 to ₹ 3,117.82 million in Fiscal 2022, respectively and was ₹ 1,000.20 million in the three months ended June 30, 2022. Our profit for the period was ₹ 190.54 million, ₹ 563.20 million, ₹ 734.62 million and ₹ 248.79 million in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively. Our profit after tax margin was 9.57%, 20.50%, 23.56% and 24.87% in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively.

The following table sets out certain financial parameters of our Company:



Certain Financial Parameters	As of / For the Year ended March 31,			CAGR (%) (Fiscal 2020 through Fiscal 2022)	As of / For the Three months ended June 30, 2022
	2020	2021	2022		
Revenue from Operations (₹ million)	1,991.46	2,747.90	3,117.82	25.12%	1,000.20
Gross Profit <sup>(1)</sup> (₹ million)	831.28	1,188.92	1,614.96	39.38%	547.83
Gross Margin <sup>(2)</sup> (%)	41.74%	43.27%	51.80%	-	54.77%
EBITDA <sup>(3)</sup> (₹ million)	349.06	696.49	919.02	62.26%	328.65
EBITDA Margin <sup>(4)</sup> (%)	17.53%	25.35%	29.48%	-	32.86%
Profit Before Tax (₹ million)	294.00	745.06	970.45	81.68%	348.18
Profit for the Period / Year (₹ million)	190.54	563.20	734.62	96.35%	248.79
PAT Margin <sup>(5)</sup>	9.57%	20.50%	23.56%	-	24.87%
RoE <sup>(6)</sup> (%)	19.79%	36.95%	32.60%	-	9.94%
RoCE <sup>(7)</sup> (%)	32.18%	49.00%	42.50%	-	13.76%
Net Fixed Asset Turnover <sup>(8)</sup> (number of times)	6.38	8.89	8.23	-	2.51
Operating Cash Flows (₹ million)	80.21	507.38	174.67	47.57%	64.32
Total Assets (₹ million)	1,617.23	1,949.99	2,873.56	33.30%	3,143.16

Note:

- (1) Gross profit is calculated as revenue from operations less cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress.
- (2) Gross Margin is calculated as gross profit divided by revenue from operations.
- (3) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income.
- (4) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (5) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.
- (6) RoE (Return on Equity) is calculated as profit after tax for the period/year divided by total equity.
- (7) RoCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.
- (8) Net Fixed Asset Turnover is calculated as revenue from operations divided by net fixed assets which consists of property, plant and equipment and capital work-in-progress.

## Strategies

### ***Continue to focus on product development, expand our portfolio and chemistry capabilities***

We have in the past invested in our R&D capabilities and technologies at our manufacturing facilities and R&D laboratories to scale our operations and make our manufacturing process cost efficient. We intend to continue to focus on our R&D initiatives to expand our product portfolio and focus on scaling production of complex chemicals. Over the years, through our in-house R&D initiatives we have increased the number of products developed in-house. As of June 30, 2022, our Company was in the process of developing six new products while three new products were at the pilot stage.

We intend to continue to develop products and improve processes to meet existing and prospective customer demands, enhance the quality and purity of our products, and meet increasing compliance requirements. We also intend to expand our R&D team and hire additional experienced personnel. We believe that investment in R&D and expansion of our R&D team, will provide us with long-term growth opportunities, and help us better position ourselves to meet evolving market requirements.

In addition, to develop and manufacture our own products, relying on our in-house R&D capabilities, we intend to continue to engage with our customers to increase our product portfolio which have potential for increased growth and better margins thereby increasing our profitability. For example, we intend to increase our focus towards production of new products through flow chemistry, which is at the pilot stage where we have observed better yields and cost optimizations in lab results.

### ***Expand our manufacturing infrastructure with a new facility at Mahad, Maharashtra***

We intend to increase our annual capacity to manufacture products by establishing a new manufacturing facility at

Mahad, Maharashtra spread across an area of 32,858 square meters and the land on which it will be constructed is owned by us. The proposed manufacturing facility will enable us to increase our installed capacity and is designed to be fungible providing us the competitive advantage of manufacturing products based on market demand and subject to the thresholds prescribed under the Consolidated Consent and Authorisation issued by the Gujarat Pollution Control Board ("GPCB"). We are in the process of applying for relevant government approvals.

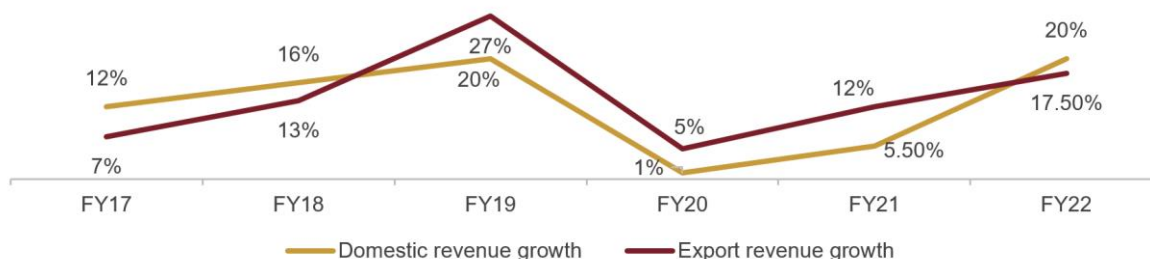
We also intend to continue backward integration of our products of key raw materials to become more self-reliant and less dependent on our vendors for raw materials, as such dependence on vendors may sometimes impact our timely manufacture and delivery of our chemical products to our customers. We believe that these integration measures will allow us to have greater control on the manufacturing process by capturing value chain, keep up our quality standards and benefit from cost efficiencies in our resource utilisation.

***Continue to expand our presence and focus on increasing export sales***

We intend to continue our focus on expanding our export sales. Our revenue from operations from export market and Deemed Exports have increased from ₹ 597.01 million and ₹ 222.38 million in Fiscal 2020, respectively, in aggregate representing 41.15% of our revenue from operations at a CAGR of 27.05% to ₹ 965.98 million and ₹ 356.62 million, respectively, in aggregate representing 42.43% of our revenue from operations in Fiscal 2022. Our revenue from operations from export market and Deemed Exports were ₹ 350.63 million and ₹ 141.21 million, respectively, in the three months ended June 30, 2022 in aggregate representing 49.18% of our revenue from operations in such period. During the three months ended June 30, 2022, we exported our products to 13 countries, with a majority share of our exports coming from regulated markets such as North America and Europe, which typically have more stringent quality and regulatory requirements, further underscoring the quality standards of our operations.

We believe establishing a presence in international markets would facilitate our sales, marketing and business development activities by being closer to certain customers, and also provide us with timely insights into the economic, product requirements and regulatory environment in such markets. Export growth is expected to accelerate to 17% to 18% from 12% to 13% in 2021, owing to the competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. (Source: CRISIL Report) In addition, due to the impact of COVID-19 on the global supply chain and geo-political tensions, global suppliers are looking to diversify and expand their sourcing of products from different manufacturers across jurisdictions to minimize any disruption on their operations. (Source: CRISIL Report)

**Domestic and export revenue growth development of Indian speciality chemical companies**



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

Source: CRISIL Research

We intend to increase our export sales by increasing our distribution network targeting different customer segments in existing markets in addition to target new export markets to sell our products since certain of our products are REACH certified which allows our products to be exported to countries within the European Union. We also intend to participate in international industry specific exhibitions through which we aim to explore new business opportunities with existing and prospective customers. We believe that with our modern technology, significant entry barriers for new players and our diversified niche product groups such as heterocyclic and fluoro organic compounds will provide us opportunities to leverage the growing demand for our products globally and increase our market share.

***Continue to increase wallet share with existing customers and expand customer base***

We have long standing relationships with our customers. We believe that our ability to build and strengthen our

relationships with our key customers stems from various factors, such as the quality of our products, the consistency of our supply of such quality products, our competitive pricing and our track record of compliance with the various regulatory standards of jurisdictions where we supply our products.

We intend to increase our wallet share from our existing customers. We believe that our in-house R&D capabilities to develop new products provides us better leverage in terms of pricing with customers. By leveraging long-standing relationships and repeat orders from our customers, we intend to capitalize on significant cross-selling opportunities. Further, we intend to focus on early stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of products and enable us to be the initial supplier for customized specialty chemicals and further strengthen our relationships with customers.

We intend to continue to expand our customer base by offering products customized for customers and undertaking complex chemistries in our custom synthesis and manufacturing process in order to customer retention and frequency of order. For example, we increased our sales from one of our top 10 customers as of June 30, 2022, from ₹ 34.20 million in Fiscal 2020 to ₹ 154.38 million in Fiscal 2022 for one of our products, reflecting an increase of over four times in the course of two years. In addition, the customer also procured three additional products from us in Fiscal 2022 generating sales of ₹ 113.91 million.

Further, we regularly take part in trade shows, and exhibitions including trade shows and exhibitions such as organized by Convention on Pharmaceutical Ingredients (“**CphI**”) in India, and Chemspec in Europe. We intend to continue to leverage our sales and marketing network, diversified product portfolio and relationships with new customers to expand our customer base.

## **BUSINESS OPERATIONS**

### **Products**

#### *Product Overview*

We are a CRAMS focused speciality chemical manufacturer in India. (*Source: CRISIL Report*) We are one of the leading CRAMS companies in India in terms of the manufacturing of select chemicals products as of March 31, 2022. (*Source: CRISIL Report*) We are engaged in the supply of specialty chemicals with multiple applications and many products we sell domestically are import substitutes that were formerly imported from China. (*Source: CRISIL Report*) Further, we also undertake custom manufacturing for our customers from our existing product portfolio.

We engage with customers across their product lifecycles, *i.e.*, providing extensive in-house research for development of products, commercial scale process development, and manufacture of commercial quantities of products. The products we manufacture have applications across various industries including agrochemicals, pharmaceuticals, biotech, paints, and polymers, and have a variety of end-uses including x-ray films and rodenticide.

Our R&D capabilities and manufacturing facilities have enabled us to develop core competencies in several chemistries, including complex chemistries such as heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, and electrophilic and nucleophilic fluorination using various fluorination reagents. (*Source: CRISIL Report*) Our in-house capabilities in developing complex chemistries have enabled us to develop select products from the heterocyclic and fluoro organic product group. We believe that our focus on identification of niche products, with limited competition, co-development with our customers coupled with our chemistry capabilities, have led to our market-leading position across several products. We are also one of 12 manufacturers globally and the largest domestic producer of ethyl-3-dimethylaminopropyl carbodiimide and the only manufacturer globally of alpha tetralol. (*Source: CRISIL Report*) In addition, we are also the sole manufacturer in India of 2-pyridyl tribromomethyl sulfone, 4-bromo benzene sulfonyl chloride, 5-bromo-2, 4-dichloro pyrimidine, cyclam and tempo on a commercial scale. (*Source: CRISIL Report*)

The table below sets forth certain information for our select products, their applications, and our market position in India and globally:

Product	Key Applications	Domestic sales, TPA (Fiscal 2022)	Exports TPA, (Fiscal 2022)	Total sales TPA, (Fiscal 2022)	Market position	Our Market Share in India (Fiscal 2022) <sup>(1)</sup>	Our Global Market Share (Calendar Year 2022) <sup>(2)</sup>
Ethyl - 3 - (3-Dimethylaminopropyl) carbodiimide	Agrochemicals, cosmetics, paints, biotech, pharmaceutical	16.1	30.3	46.4	One of the 12 producers globally; largest producer in India.           Only commercial scale producer in India	32%	9%
Trimethylsilyl trifluoromethanesulfonate	Agrochemicals, pharmaceutical	35.4	0.0	35.4		62%	29%
2-Pyridyl tribromomethyl sulfone	Polymers, X-ray films	-	51.5	51.5		Not currently sold / consumed in India	94%
Trifluoromethanesulfonicanhydride	Agrochemicals, electronics, polymer, biotech, pharmaceutical	12.0	4.3	16.3		100%	15%
Bromoacetonitrile	Biotech, agrochemicals, pharmaceutical	4.4	6.4	10.7		32%	24%
4 Bromobenzenesulfonylchloride	Pharmaceutical	-	3.7	3.7		Not currently sold / consumed in India	19%
5-Bromo-2,4-dichloro pyrimidine	Pharmaceutical-anti cancer	-	8.2	8.2		Not currently sold / consumed in India	33%
5-Bromovaleric acid	Pharmaceutical	7.5	0.0	7.5		100%	71%
Alpha tetralol	Rodenticide	-	17.2	17.2		Not currently sold / consumed in India	100%
Cyclam (1,4,8,11 tetraazacyclotetradecane)	Pharmaceutical	0.1	0.0	0.1		100%	6%
2,2,6,6-Tetramethylpiperidine N-	Pharmaceutical	2.0	0.3	2.22	38%	11%	

Product	Key Applications	Domestic sales, TPA (Fiscal 2022)	Exports TPA, (Fiscal 2022)	Total sales TPA, (Fiscal 2022)	Market position	Our Market Share in India (Fiscal 2022) <sup>(1)</sup>	Our Global Market Share (Calendar Year 2022) <sup>(2)</sup>
oxyl (or known as tempo)	l, perfumes, agrochemical						

Note: Commercial scale include ability to manufacture products in multi metric ton and excludes any experimental or pilot scale production which can range between grams to few kilograms

<sup>(1)</sup> Market share in India has been calculated on the basis of sales volume in India in Fiscal 2022 of the relevant product, including sales in such period of such product imported into India.

<sup>(2)</sup> Global market share has been calculated on the basis of total sales volume of our relevant product during Fiscal 2022 divided by the global market size calculated in terms of sales volume of such product in calendar year 2021.

(Source: CRISIL Report)

For further information, see “Industry Overview” on page 126.

We undertake CRAMS for various international and domestic companies. Under such arrangements with customers, our R&D team develops products in our R&D laboratories for companies as per specifications provided by customers and we do not charge any development costs to customers, ensuring that proprietary information and technical know-how associated with the R&D rests with our Company. Molecules and products developed in our CRAMS business also ensure business stickiness as well as a longstanding relationship with them. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company.

## Customers

We have an extensive customer base and established strong relationships with a range of customers. The customers we have served have grown from 387 in Fiscal 2020 to 434 in Fiscal 2022. All of our top 20 customers that we have served as of June 30, 2022, have been associated with us for at least two years with certain of them associated with us for more than seven years. Our key customers include, multinational corporations such as Evonik, Chori, BioSpectra, LBB Specialities, Procos, MOEHS Iberica, S.L., Sumitomo Corporation, Synthetics USA, LLC, Alzchem Trostberg GmbH as well as domestic companies such as Lee Pharma Limited, MSN Laboratories Private Limited, Sai Life Sciences Limited, and Dr. Reddy’s Laboratories. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Customer Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	112.35	5.64%	217.99	7.93%	268.30	8.61%	174.04	17.40%
Top 5	386.29	19.40%	652.59	23.75%	779.25	24.99%	411.64	41.16%
Top 10	603.79	30.32%	962.14	35.01%	1104.66	35.43%	581.82	58.13%

\*Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal / period.

We expect that we will continue to be reliant on our major customers for the foreseeable future. See “Risk Factors - We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our

*products, could adversely affect our business, results of operations, financial condition and cash flows.” on page 34.*

In addition, we derive a significant portion of our revenue from operations from the export of our products. During the three months ended June 30, 2022, we exported our products to 13 countries, with a majority share of our exports coming from regulated markets such as North America and Europe, further indicating the high-quality standards of our products.

Further, we do not have any long term supply agreement with our customers. We instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule which can range from a few weeks to a few months. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our inventories.

## **Manufacturing**

### ***Manufacturing Facilities***

#### *Current Facilities*

Our Company has three manufacturing facilities, with two located at G.I.D.C Estate in Ankleshwar, Gujarat, and one located at G.I.D.C Estate in Sarigam, Gujarat. As we regularly export our products, our facilities are strategically located at close proximity to the ports in Gujarat and Maharashtra. We focus on minimizing the social and environmental impact of our manufacturing operations and have established dedicated effluent treatment plants at Unit III located at Sarigam, Gujarat while Unit I and Unit II manufacturing facilities located at Ankleshwar, Gujarat are connected to a common effluent treatment plant operated by a third party. Such initiatives result in reduced effluent and solid hazardous waste due to raw materials, solvents and water consumption required for our manufacturing operations. We also monitor on a real-time basis all discharges from our operations at Unit III facility. All of our manufacturing facilities are fungible and based on market demand and availability of raw materials, they are capable of manufacturing a wide variety of products which allows us flexibility to manufacture our products.

#### *Unit I - G.I.D.C Estate, Ankleshwar, Gujarat*

Our Unit I is located in Ankleshwar, Gujarat and has an annual installed capacity of 500.00 MT, as of March 31, 2022.

Within this facility, we possess pilot scale capabilities such as centrifugation, pressures, drying under vacuum, reaction and distillation units, temperature regulation capabilities, glass equipment facilities, as well as high vacuum short-path distillation capabilities. Our Unit I facility is also a semi-commercial plant for electrochemical fluorination, in order to manufacture triflic acid and triflic anhydride. Our operations at Unit I are also supported by analytical capabilities, such as gas chromatographs, high performance liquid chromatography, fourier transform infrared spectroscopy, and ultraviolet visible spectroscopy. We also operate other analytical equipment for volumetric and gravimetric analysis at this facility.

With respect to Unit I, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit I First Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 10.00 million. The Unit I First Closure Notice was issued on account of a fire cause by burning hazardous waste at Unit I. While the Unit I First Closure Notice was in effect, our Company continued its operations during Fiscal 2020 and Fiscal 2021. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit I First Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. We did not carry out manufacturing activities in Fiscal 2021 other than during such foregoing period. We again discontinued manufacturing operations between March 4, 2021 until July 8, 2021. Subsequently, the GPCB issued another closure notice dated September 9, 2021 directing us to, amongst others, prohibit manufacturing operations at Unit I, and also levied a penalty of ₹ 0.25 million (“**Unit I Second Closure Notice**”). The Unit I Second Closure Notice was issued on account of, amongst others, improper handling of waste material. Consequently, in Fiscal 2022, Unit I was operational approximately for 66 days between July 9, 2021 until September 15, 2021. The GPCB subsequently revoked the closure notice for a period of three months by way of a

revocation order dated September 15, 2022 and we have made an application dated December 7, 2022 with the GPCB for permanent revocation of the closure direction which is currently pending. Although the November 27, 2019 closure notice continues to be in effect as the September 15, 2022 temporary revocation order has expired, Unit I is currently operational and manufacturing operations are being undertaken at the facility.

#### Unit II - G.I.D.C Estate, Ankleshwar, Gujarat

Our Unit II is located in Ankleshwar, Gujarat and has an annual installed capacity of 50.00 MT, as of March 31, 2022. Our Unit II facility is a commercial manufacturing facility. Within this facility, we possess various equipment for commercial manufacturing of our products, such as glass lined reactors, reactors, an agitated netuche filter cum drier, steam jet ejector, a chilling plant, gas fired boiler, thermopack (gas fired), under vacuum and nitrogen packing line, gas scrubbing system, high vacuum pumps, and analytical support for process monitoring by high performance liquid chromatography.

The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to amongst others, prohibiting manufacturing activities and to close Unit II with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit II for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit II was operational for approximately 241 days and actual production and capacity utilization for Unit II in Fiscal 2020 was accordingly lower than expected. Subsequently, GPCB imposed a fine of ₹ 0.40 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. In subsequent periods, Unit II has continuously been undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. We have made an application dated December 10, 2022 with GPCB for permanent revocation of the closure notice which is currently pending.

#### Unit III - G.I.D.C Estate, Sarigam, Gujarat

Our Unit III is located in Sarigam, Gujarat and has an annual installed capacity of 2,260.00 MT, as of March 31, 2022. We installed additional boilers and machinery at Unit III to enhance its production capacity and improve process efficiency for our manufacturing process primarily in the third quarter of Fiscal 2021 and second quarter of Fiscal 2022, respectively, which resulted in an increase in its installed capacity from 1,260.00 MT as of March 31, 2020 to 1,760.00 MT as of March 31, 2021 to 2,260.00 MT as of March 31, 2022.

In our Sarigam, Gujarat facility, we possess machinery that includes 3MT CNG fired boiler, thermic fluid heater, cooling towers, chilled water plant, a chilled brine plant, scrubbers with graphite coolers, three multistage ejector, two multistage ejector with dry pump, and nitrogen generator. We also possess a fully integrated effluent treatment plant for both primary and secondary treatments.

On September 30, 2021, our Company received a closure notice issued by the GPCB, amongst others, prohibiting manufacturing activity at Unit III as a result of the improper disposal of hazardous waste. Consequently, our manufacturing operations at Unit III were disrupted between October 1, 2021 and January 30, 2022. GPCB subsequently imposed a fine of ₹ 5.40 million on our Company and the September 30, 2021 closure notice was temporarily revoked for a period of three months by way of a revocation order dated January 24, 2022. We made an application to the GPCB dated April 11, 2022 for permanent revocation of the application made by our Company to the GPCB, we continued to undertake manufacturing operations at Unit III following the three month period. Subsequently, the closure notice was permanently revoked by way of a revocation order dated September 3, 2022. Unit III is currently operational and manufacturing operations are being undertaken at the facility.

#### *Capacity and Capacity Utilization*

Information relating to our production capacity and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus has been certified by Chetan Kishore, Chartered Engineer, by way of a certificate dated December 28, 2022. Actual production levels and utilization rates may vary significantly from the capacity information of our manufacturing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information.

Location	Products manufactured <sup>(1)</sup>	As of/ for the year ended											
		March 31, 2020			March 31, 2021			March 31, 2022			Three months ended June 30, 2022		
		Installed Capacity <sup>*(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation <sup>*(4)</sup> (%)	Installed Capacity <sup>*(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation <sup>*(4)</sup> (%)	Installed Capacity <sup>*(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation <sup>*(3)(4)</sup> (%)	Installed Capacity <sup>*(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation <sup>*(4)</sup> (%)
Unit I, Ankleshwar, Gujarat <sup>(5)</sup>	Intermediates	500.00	301.39	60.20 %	500.00	325.39	65.08 %	500.00	87.00	17.41 %	125.00	5.94	4.75 %
Unit II, Ankleshwar, Gujarat <sup>(6)</sup>	Intermediates	50.00	19.88	39.76 %	50.00	21.54	43.08 %	50.00	23.56	47.12 %	12.50	4.56	36.48 %
Unit III, Sarigam, Gujarat <sup>(7)</sup>	Intermediates	1,260.00	1,155.84	91.73 %	1,760.00 <sup>(8)</sup>	1,549.06	88.01 %	2,260.00 <sup>(8)</sup>	1,598.81	70.74 %	565.00	416.07	73.64 %
<b>Total</b>		<b>1,810.00</b>	<b>1,477.11</b>	<b>81.61 %</b>	<b>2,310.00</b>	<b>1,896.00</b>	<b>82.08 %</b>	<b>2,810.00</b>	<b>1,709.45</b>	<b>60.83 %</b>	<b>702.50</b>	<b>426.58</b>	<b>60.72 %</b>

<sup>8</sup>As certified by Chetan Kishore, Chartered Engineer, by certificate dated December 28, 2022.

- (1) All of our manufacturing facilities are capable of manufacturing a wide range of products depending on customer requirements and availability of raw materials, subject to compliance with relevant thresholds prescribed under the Consolidated Consent and Authorisation issued by the GPCB, which provides us with certain flexibility to manufacture a range of products.
- (2) Installed capacity represents the installed capacity as of the last date of the relevant fiscal period. Our installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice in the specialty chemicals industry, boiler capacities, and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include 365 working days in a year, at three shifts per day operating for 24 hours a day. In the table above, for the three months ended June 30, 2022, we have presented the unannualized installed capacity of the relevant manufacturing facility.
- (3) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal / period. Actual production in Unit I, Unit II and Unit III was impacted in the various Fiscals / periods as a result of certain closure notices issued by the GPCB which impacted our ability to continue manufacturing activities at the relevant facilities during such periods. For further information on such closure notices that disrupted our operations, see note (5), (6) and (7) below. However, even during the period that the application of the closure notice dated November 27, 2019 was in effect, for the period mid-April 2020 until March 3, 2021, we continued production activities at Unit I, and our actual production in Fiscal 2021 therefore reflects production during such period as well. For further information, see "Risk Factors – We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities." on page 38. Actual production in the three months ended June 30, 2022 is presented as actual quantum of production, and not on an annualized basis.
- (4) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant period, divided by the installed capacity of relevant manufacturing facility as at the end of the relevant Fiscal / period. In the table above, we have presented the capacity utilization of the relevant manufacturing facility for the three months ended June 30, 2022 on an unannualized basis.
- (5) The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to cease manufacturing activities and to close Unit I with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit I for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit I was operational for approximately 241 days and actual production and capacity utilization for Unit I in Fiscal 2020 was accordingly lower than expected. During Fiscal 2021, although the November 27, 2019 closure notice continued to be in effect, we engaged in manufacturing operations during the period April 15, 2020 to March 3, 2021. We did not carry out manufacturing activities in Fiscal 2021 other than during such foregoing period, and our actual production and capacity utilization information for Fiscal 2021 was accordingly lower than expected. We again discontinued manufacturing operations between March 4, 2021 until July 8, 2021. Subsequently, GPCB imposed a fine of ₹ 0.25 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. Consequently, in Fiscal 2022, Unit I was operational approximately for 66 days between July 9, 2021 until September 15, 2021. The GPCB subsequently revoked the closure notice for a period of three months by way of a revocation order dated September 15, 2022 and we have made an application dated December 7, 2022 with the GPCB for permanent revocation of the closure notice which is currently pending. Unit I is currently operational and manufacturing operations are being undertaken at the facility.



- (6) The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to cease manufacturing activities and to close Unit II with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit II for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit II was operational for approximately 241 days and actual production and capacity utilization for Unit II in Fiscal 2020 was accordingly lower than expected. Subsequently, GPCB imposed a fine of ₹ 0.40 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. In subsequent periods, Unit II has continuously been undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. We have made an application dated December 10, 2022 with GPCB for permanent revocation of the closure notice which is currently pending.
- (7) On September 30, 2021, our Company received a closure notice issued by the GPCB prohibiting all manufacturing activity at Unit III as a result of the improper disposal of hazardous waste. Consequently, our manufacturing operations at Unit III were disrupted between October 1, 2021 and January 30, 2022. GPCB subsequently imposed a fine of ₹ 5.40 million on our Company and the September 30, 2021 closure notice was temporarily revoked for a period of three months by way of a revocation order dated January 24, 2022. Pursuant to an application made by our Company to the GPCB dated April 11, 2022, we continued to undertake manufacturing operations at Unit III following the three month period. Subsequently, the closure notice was permanently revoked by way of a revocation order dated September 3, 2022. Hence, actual production and capacity utilization information in Fiscal 2022 was adversely impacted due to disruption of manufacturing activities between October 1, 2021 and January 30, 2022.
- (8) We installed additional boilers and machinery at Unit III to enhance its production capacity and improve process efficiency for our manufacturing process primarily in the third quarter of Fiscal 2021 and second quarter of Fiscal 2022, respectively.

See also, “Risk Factors – We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.” on page 38.

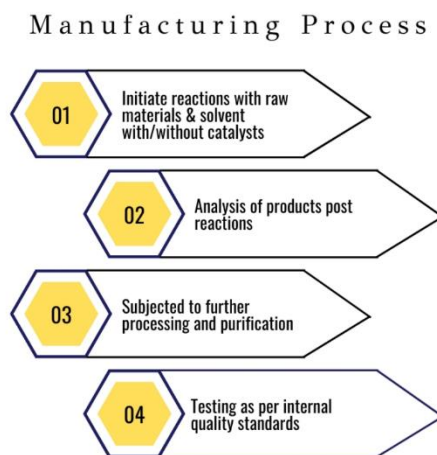
For further information on our capacity and capacity utilization, see “Risk Factors – Information relating to the installed manufacturing capacity and capacity utilisation of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.” on page 56.

#### Proposed Manufacturing Facility

We intend to increase our annual capacity to manufacture products by establishing a new manufacturing facility at Mahad, Maharashtra spread across an area of 32,858 square meters. The proposed manufacturing facility is expected to commence construction of relevant infrastructure in Fiscal 2024. Towards this, we have acquired land with certain basic infrastructure and are in the process of applying for relevant government approvals given that we had acquired the land pursuant to a public auction. The facility is being designed to be fungible and manufacture all of our products based on market demand and availability of raw materials and subject to thresholds prescribed under the Consolidated Consent and Authorisation issued by the GPCB.

#### Manufacturing Process

The flowchart below provides a brief overview of our manufacturing process:



The raw materials are charged continuously/ batch-wise with a catalyst in reactors of suitable capacity and design

based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out. When the reaction is complete, the product is analyzed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

### **Power and Fuel**

Given the scale of our manufacturing operations, we require a significant amount of power and fuel. We also have particular power requirements due to the need to process raw materials to get final products of different products within a particular range of temperatures. We depend on state electricity supply for our power requirements and utilise diesel generators to ensure that our facilities are operational during power failures or other emergencies.

We source our water requirements from Gujarat Industrial Development Corporation since all our manufacturing facilities are located in the state of Gujarat. The table below sets forth details relating to our expenses on power and fuel as a percentage of our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particulars	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Power and Fuel	26.79	1.35%	22.75	0.83%	12.92	0.41%	5.50	0.55%

### **Raw Materials**

The raw materials we use in our manufacturing process include solvents such as chloroform, methylene dichloride, tetrahydrofuran, acetonitrile, toluene, methyl tert-butyl ether and ethyl acetate and reagents such as 4-hydroxybenzaldehyde, 3-dimethylaminopropylamine, trimethylchlorosilane and triflic acid. We primarily sourced our raw materials from third party suppliers globally and in India on spot contracts basis. As we typically do not enter into fixed-price agreements, we are subject to the risk of increases in the prices of raw materials. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer.

The table below sets forth certain information relating to our raw materials suppliers in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Supplier Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1	73.85	3.71%	155.53	5.66%	150.31	4.82%	174.59	17.45%
Top 3	163.33	13.58%	346.17	22.39%	381.59	24.11%	275.44	63.00%
Top 5	233.27	19.40%	476.85	30.85%	519.42	32.82%	321.03	73.43%
Top 10	366.63	30.49%	701.85	45.40%	807.83	51.05%	312.20	71.41%

\*Suppliers may vary across Fiscals / period and does not refer to the same supplier across all Fiscals / periods and depend on our specific requirements of raw materials which depends on the requirement of our customers in the relevant Fiscal / period.

In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, the cost of materials consumed was ₹

1,202.44 million, ₹ 1,545.78 million, ₹ 1,582.49 million and ₹ 437.22 million, and represented 60.38%, 56.25%, 50.76% and 43.71%, respectively, of our revenue from operations. Our imported raw materials, amounted to ₹ 718.29 million, ₹ 1,098.43 million, ₹ 794.19 million and ₹ 235.26 million, and accounted for 57.90%, 68.45%, 46.40% and 42.59% of our total raw materials purchased in Fiscal 2020, 2021 and 2022 and in three months ended June 30, 2022, respectively.

Further, we also import certain raw materials from China. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, cost of raw materials imported from China were ₹ 616.45 million, ₹ 939.61 million, ₹ 671.74 million and ₹ 230.84 million, and accounted for 49.69%, 58.55%, 39.25% and 41.79% of our total raw materials purchased in such periods.

For further information, see also “*Risk Factors – Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, cash flows and results of operations.*” on page 40.

We have implemented standard operating procedures for new vendor selection for supply of raw materials. Prior to finalising our arrangement with vendors we typically test a sample of raw materials for testing and do a laboratory experiment verification to test the quality of the raw materials. Only after successful development trials do we approve a vendor as an approved supplier for our raw materials, further establishing the quality processes that we employ for the manufacture of our products.

### **Research and Development**

We focus on undertaking continuous R&D dedicated to manufacturing new products through complex chemistries from initial conceptualization to commercialization of a product where, we believe, there is continuous growth potential.

Our continued focus on R&D has been instrumental in the growth of our operations and has improved our ability to customize products for our customers as well as reduce our cost of goods while maintaining our margins. Further, all of our products have been synthesized in-house. Between April 1, 2007 and March 31, 2022, we have synthesized 677 products of which over 500 products have been commercially produced and sold to various customers across our export markets.

We commenced operations at our in-house R&D laboratory located at Ankleshwar, Gujarat in 2007 and have recently set up our second in-house R&D laboratory in 2022 at Bhiwandi, Maharashtra. Our R&D laboratories are fitted with modern synthesis equipment such as high-performance liquid chromatography with UV detector, gas chromatography with flame ionization detector, ultraviolet spectrophotometer, infra-red spectrophotometer, melting point apparatus among others that are supplemented with modern analytical tools and instruments for day to day activities. In addition, we also use the services of an independent laboratory for testing our products. One of our research and development laboratories located at Ankleshwar, Gujarat in the past had been recognized by DSIR which has subsequently expired and we have made an application with the DSIR to for renewal of such recognition.



As of June 30, 2022, our research and development team consists of 30 employees, with 23 having doctorates and/or Master of Sciences degrees in chemistry. We have dedicated teams working on different research focuses. Each employee undergoes a stringent hiring process as well as continuous training processes to ensure that they are well-qualified for the scope of work, as well as ensuring their safety in performance of their duties. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of speciality chemicals and intermediates, and as a result, expanded our commercialized product portfolio. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our expenditure on research and development were ₹ 34.16 million, ₹ 44.07 million, ₹ 134.22 million and ₹ 104.10 million, respectively, accounting for 1.72%, 1.60%, 4.30% and 10.41% of our revenue from operations.

### **Quality Control and Quality Assurance**

We adhere to the highest quality standards at par with the latest international trends which is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our internal audits and customer audits, we ensure that our manufacturing facilities are in compliance with local and international regulatory requirements to be in line with customers' specifications. One of our R&D laboratories located at Ankleshwar, Gujarat has in the past been recognized by DSIR. We have made an application with the DSIR for renewal of such recognition for such facility. We have also made an application with the DSIR for recognition of our R&D laboratory located at Bhiwandi. Our facility at Sarigam, Gujarat is ISO 9001:2015 and GMP certified. Further, certain of our products are REACH certified enabling us to successfully enter into highly regulated markets and adhere to international regulatory standards to sell our products.

We implement and maintain industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped laboratories. Our employees are required to undergo training programs designed to update them on latest quality norms and standards periodically.

### **Sales and Marketing**

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. We have a sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of the customers. We also regularly take part in trade shows and exhibitions, such as CphI in India, and Chemspec in Europe.

In order to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products to new markets, we are expanding globally. We intend to achieve this by having dedicated teams whose primary focus will be on business development in international markets and in certain focus geographies, such as Europe and North America. We maintain a lead-time material requirement planning system and utilize our ERP software to manage our levels of inventory on a real-time basis.

### **Inventory Management and Logistics**

We store our finished products and raw materials separately on-site, at our manufacturing facilities / two warehouses. We typically keep up to three to four months of inventory at our facilities to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers.

We transport our finished products by road, sea and air. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated and agreed to on spot basis. Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line/ airline to file and release the necessary bills of lading/ air waybills. Incoterms determine the exact delivery terms, which would include how the goods will be delivered, who pays, who is responsible and who handles specific procedures such as loading and unloading. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our freight and handling charges were ₹ 24.33 million, ₹ 44.36 million, ₹ 72.19 million and ₹ 23.45 million, and represented 1.22%, 1.61%, 2.32% and 2.34%, respectively, of our revenue from operations.

### **Health, Safety and Environment**

We have consistently focused on environmentally conscious processes, including making our production units low discharge. We have also taken due precautions in our disposal of solid and liquid wastes. We focus on minimizing the social and environmental impact of our manufacturing operations and have established dedicated effluent treatment plants at Unit III located at Sarigam, Gujarat while Unit I and Unit II manufacturing facilities located at Ankleshwar, Gujarat are connected to a common effluent treatment plant operated by a third party. Such initiatives result in reduced effluent and solid hazardous waste due to effective raw material and solvent and water consumption required for our manufacturing operations. We also monitor on a real-time basis all discharges from our operations at Unit III.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, *inter alia*, complying with applicable environmental laws and regulations and voluntary commitments, providing a health and safe work environment, effectively communicating with facility employees, suppliers, regulators, customers and eliminating or reducing the release of contaminants in the environment. We aim to provide a high degree of safety to our employees, especially at our manufacturing facilities where chemical processes are executed. 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. Our equipment also undergo periodic preventive maintenance to ensure our employees' safety, and our employees and other workers whose duties concern the handling of chemicals are educated on safety methods on the same.

For further information, see “Risk Factors – We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities.” on page 38.

### **Intellectual Property**

As of the date of this Draft Red Herring Prospectus, our Company had one registered trademark in India under



Class 1, which is our corporate logo

We also have registered the domain name, <http://www.survivaltechnologies.in/>, which is renewed periodically. We

do not own any patents. For further information, see “*Risk Factors – While we have registered our corporate logo as trademark, any inability to protect our intellectual property from third party infringement may adversely affect our business, cash flows, results of operations and prospects.*” on page 57.

### **Information Technology**

Our information technology systems support key aspects of our business, from production, purchasing, sales, planning, operations and documentation to accounts and customer service. We believe we have a robust disaster recovery, business continuation and backup policy. Our Company has implemented enterprise resource planning system to leverage business value by centralizing accounting systems leading to cost optimization. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers. We also utilize an enterprise resource planning solution that covers production, finance, sales, purchase and inventory, across all our offices and manufacturing facilities. We are committed to safeguarding confidentiality. We ensure that integrity and availability of all physical and electronic information assets of facilities where we operate to ensure that legal, regulatory, and operational requirements are fulfilled. For information on the risks to our IT systems, see “*Risk Factors - Technology failures could disrupt our operations and adversely affect our business operations, cash flows and financial performance.*” on page 60.

### **Insurance**

We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown for Unit I and Unit III. We also maintain fire insurance policies for insuring against material damage from fire at our manufacturing units. This is on top of the fire and theft insurance coverage for Unit III. We also maintain marine cargo and motor vehicle insurances for the protection of our assets. For our workmen at our registered office, we maintain a group accident policy, and a workmen compensation policy for workers at our manufacturing facilities, respectively. We believe that our insurance coverage including the terms of and the coverage provided by such insurance is adequate. We do not presently maintain insurance for business interruption in India, directors and officer’s liability insurance policy and insurance policy with respect to building, plant and machinery for Unit II.

For further information, see, “*Risk Factors – Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could adversely affect our results of operations, cash flows and financial condition.*” on page 61.

### **Competition**

The specialty chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications, as well as various client and regulatory approvals that are required to be obtained. (*Source: CRISIL Report*). We face competition from both domestic and multinational corporations on the basis of pricing, relationships with customers, product quality, and process innovation.

Being the largest manufacturer for several niche chemical intermediates in India, we are well-positioned to leverage the growing demand for our products globally, to grow our market share. (*Source: CRISIL Report*) For further information on the competition we face in the markets in which we operate, see “*Industry Overview*” on page 126.

### **Human Resources**

As of June 30, 2022, we had 215 employees. The following table sets forth a breakdown of our employees by department as of June 30, 2022:

<b>Department</b>	<b>No. of Employees</b>
Research and Development	30
Production	47
Quality Control	29
Maintenance	20
Sales and Marketing	15
Procurement	6
Accounts, Audit, Finance and Compliance	15

Department	No. of Employees
Human Resources and Administrative	18
Others	35
<b>TOTAL</b>	<b>215</b>

In addition, we also utilise contract labour for certain part of our operation. As of June 30, 2022, we engaged 24 contract labour. The number of contract labourers engaged by us varies from time to time, based on the nature and extent of work contracted to independent contractors. Our employees are not unionized into any labour or workers' unions and we have not experienced any material work stoppages due to labour disputes or cessation of work in the last three years.

### Corporate Social Responsibility

We have constituted a corporate social responsibility committee constituted of members from our Board of Directors, and we have adopted and implemented a CSR policy. We carry out our CSR activities pursuant to the policy, by making contributions to organizations engaged in education programs and medical research. Our Company is making regular expenditure towards our CSR obligations, and have made substantial contributions in fields relating to critical healthcare, education facilities, medical relief and animal welfare. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our corporate social responsibility expenses including other donations were ₹ 3.53 million, ₹ 8.73 million, ₹ 16.36 million and ₹ 8.89 million on our CSR activities.

### Properties

As on the date of this Draft Red Herring Prospectus, our Company owns 22 properties which includes the land on which our proposed manufacturing facility will be located at Mahad, Maharashtra, our Registered and Corporate Office and parcels of vacant land located in Pune, Maharashtra. We have also taken eight properties on leased and licensed basis which includes our manufacturing facilities and our warehouse located at Bhiwandi, Maharashtra. Further, out of the two of our R&D laboratories, while the land on which our R&D laboratory at Bhiwandi, Maharashtra, is owned by us, the R&D laboratory located at Ankleshwar, Gujarat is situated within Unit I which is leased by us.

The table below provides leased details of our manufacturing facilities:

S. No.	Name and address of the manufacturing facilities	Owned / Leased	Term
1.	Unit I Address: Plot no. 9110/1, 9111/1, GIDC Ankleshwar, Bharuch, Gujarat	Leased	99 years with effect from August 2, 2005
2.	Unit II Address: Plot no. C-1/B-7003, GIDC Ankleshwar, Bharuch, Gujarat	Leased	99 years with effect from March 16, 2009
3.	Unit III Address: Plot No. 1013, 1015, 1017, 1114, 1116, 1118 & 1120, Opp. L.S Chemical, GIDC, Sarigam, Nargol Road, Gujarat	Leased	89 years with effect from April 21, 2016

## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain key laws, guidelines and regulations 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 statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. Such information has been obtained from sources available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to prospective investors. Further, they are neither designed nor intended to be a substitute for professional legal advice. For details of the government approvals obtained by our Company, see “Government and Other Approvals” on page 356.*

### **Laws in relation to our business**

#### ***The Factories Act, 1948 (“Factories Act”)***

The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the ‘occupier’ of a factory to ensure, so far as reasonably practicable, the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both. The Factories Act also has certain provisions for factories which deal with ‘hazardous processes’ as classified in Chapter IVA.

#### ***Foreign Trade (Development and Regulation) Act, 1992 (“FTA”) and the Foreign Trade Policy (2015 –2020) (“FTP”)***

The FTA seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. The FTA read with the FTP provides that no person or company can make exports or imports without having obtained an importer exporter code number (“**IEC Number**”), granted by the Director General of Foreign Trade, unless such person or company is specifically exempted from such requirement. An application for an IEC Number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An IEC Number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC Number shall attract penalty under the FTA.

Further, the FTP also provides for the Merchandise Exports from India Scheme (“**MEI Scheme**”), in terms of which, entities are rewarded for exports of certain goods with ‘duty credit scrips’, which may be used for the payment of customs duty.

#### ***The Electricity Act, 2003 (“Electricity Act”) and the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (“CEA Regulations”)***

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. In terms of the Electricity Act, the authority may, in consultation with the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use. The Electricity Act also constitutes the Central Electricity Authority (subsuming the Central Electricity Authority previously established under the Electricity (Supply) Act, 1948) (“**CEA**”), *inter alia* to specify various requirements in relation to the construction, operation and maintenance of electrical plants, transmission lines and electrical meters, advise the central and state governments on various technical electricity-related matters and promote and assist schemes and projects for augmenting and improving the



electricity system.

The CEA has promulgated the CEA Regulations, in exercise of the power vested in it under the Electricity Act, in order to specify various safety regulations pertaining to the construction, installation, protection, operation and maintenance of transmission lines, installations and apparatus and specifying conditions for the supply and use of electricity, among other matters. In particular, the CEA Regulations place several requirements on electrical installations and apparatus exceeding a voltage of 650 volts. Such installations or apparatuses must be inspected by an Electrical Inspector before the commencement of supply of electricity, or re-commencement thereof after a period of six months.

#### ***The Explosives Act, 1884 (“Explosives Act”)***

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

#### ***The Petroleum Act, 1934 (“Petroleum Act”) and Petroleum Rules, 2002***

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, 2002, any person intending to store furnace oil / petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

#### ***The Static and Mobile Pressure Vessels (Unfired) Rules 2016 (“SMPV Rules”)***

The SMPV Rules regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

#### ***The Poisons Act, 1919 (“Poisons Act”)***

The Poisons Act enables state governments to grant licenses for the import, possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold, etc.

#### ***The Drugs (Prices Control) Order, 2013 (“DPCO”)***

The DPCO is an order issued by the GOI under Section 3 of the Essential Commodities Act, 1955. The DPCO states that the GoI in light of public interest, may fix the ceiling price or retail price of any drug if for any such period it deems fit.

#### ***Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs and Cosmetics Rules, 1945 (“DC Rules”)***

The DCA is the statute governing the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DC Rules prescribes for the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. The DC Rules further 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 authorities.

### **Environmental laws**

***The Environment (Protection) Act, 1986 (“EPA”), Environment Protection Rules, 1986 (the “EP Rules”) and the Environmental Impact Assessment Notification, 2006 (“EIA Notification”)***

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

***Water Prevention and Control of Pollution Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a central pollution control board, as well as state pollution control boards, to be formed to implement its provisions. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

***Air Prevention and Control of Pollution Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well.

***Water (Prevention and Control of Pollution) Cess Act, 1977***

The Water (Prevention and Control of Pollution) Cess Act, 1977 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter, and operator of the disposal facility is liable for damages caused to the environment, or any third party, resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

***The 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. It also provides for the pre-treatment of laboratory waste, blood samples, etc. It mandates the use of a barcode

system for proper control. 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 bio-medical waste treatment and disposal facilities as prescribed. 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 Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accident Rules”)***

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by *inter alia*, setting up a central crisis group and a crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

***The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“HCR Rules”)***

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

***The Public Liability Insurance Act, 1991 (“PLI Act”) and Public Liability Insurance Rules, 1991 (“PLI Rules”)***

The primary objective of the PLI Act is to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

The PLI Act imposes a duty on the ‘owner’ to take out insurance policies before manufacturing, processing, treating, storing, packaging or transporting hazardous substances, for any damage arising out of an accident involving such hazardous substances. Hazardous substances have to be taken the meaning as provided under the Environmental Protection Act and the list has been further enumerated by the government by way of a notification. The penalty for contravention of the provisions of the PLI Act include imprisonment or fine or both. Further the PLI Rules mandate that the ‘owner’ contributes towards the Environmental Relief Fund, a sum equal to the premium paid on the insurance policies.

***Indian Boilers Act, 1923 (“Boilers Act”) and Indian Boiler Regulations, 1950 (“Boilers Regulations”)***

The Boilers Act intends to regulate *inter alia*, the manufacture, possession and use of steam boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector so appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler and in certain cases, imprisonment as well. The Boilers Regulations provide for *inter alia*, requirements with respect to material, construction, safety and testing of boilers.

***Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)***

The LM Act aims to establish and enforce standards of weights and measures, regulate trade and commerce in

weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. The Packaged Commodity Rules were framed under Section 52(2) (j) and (q) of the LM Act. The Packaged Commodity Rules prescribe regulations for pre-packing and the sale of commodities in a packaged form, certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules 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.

### ***Drugs (Control) Act, 1950 (“Drugs Act”)***

The Drugs Act provides for the control of the sale, supply and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

### ***Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act 2017 (“Shops and Establishments Act”)***

Under the provisions of the Shops and Establishments Act, applicable in the state of Maharashtra, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.

### **Labour related legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Industrial Disputes Act, 1947, Contract Labour (Regulation and Abolition) Act, 1970, Child Labour (Prohibition and Regulation) Act, 1986, Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Employee’s Compensation Act, 1923, the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Trade Unions Act, 1926 the Payment of Bonus Act, 1965, Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and the Maternity Benefit Act, 1961, among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee’s provident fund and the employee’s state insurance corporation, regulates the payment of

gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.

- Occupational Safety, Health and Working Conditions Code, 2020, which amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various enactments including, among others, the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

#### **Other laws**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, the Trademarks Act, 1999, foreign investment laws in India such as the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, and any other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws, such as the Income Tax Act, 1961, the Customs Act, 1962 and relevant goods and services tax legislations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated in Mumbai, Maharashtra, as ‘Survival Technologies Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 27, 2005, issued by the RoC. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 8, 2022, and consequently, the name of our Company was changed to ‘Survival Technologies Limited’, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 13, 2022, was issued by the RoC to our Company.

### Change in registered office of our Company

Except as disclosed below, our Company has not changed its registered office since its incorporation.

Date of change	Details of change	Reasons for change
May 11, 2022	Registered office of our Company was changed from 23, Ahoora Mahal, 6 <sup>th</sup> floor, 93, Marine Drive, ‘G’ Road, Mumbai – 400 002, Maharashtra, India to 1401-A, Naman Midtown, 14 <sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai – 400 013, Maharashtra, India	To carry on the business of our Company more economically and efficiently and with better operational convenience

### Main Objects of our Company

The main object contained in the Memorandum of Association of our Company is as mentioned below:

*To carry on the business to undertake collection or preparation of relevant statistics and data, technical surveys relating to or having and bearing on and to develop the environmental friendly green technology for synthesis and manufacturing of fine chemicals, pharma intermediates, agro intermediates and chemicals for electronic industry and use the same for manufacturing the chemicals, fine chemicals and or effecting the same and provide scientific information and to have metallurgical, instrumental, chemical and research laboratories.*

The main object contained in the Memorandum of Association of our Company 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 ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders’ resolution	Nature of amendment
December 13, 2012	Clause V (a) of our Memorandum of Association was amended to reflect the change in our authorised share capital from ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each to ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each
July 18, 2022	Clause V (a) of our Memorandum of Association was amended to reflect the change in our authorised share capital from ₹100,000,000 divided into 10,000,000 Equity Shares of ₹10 each to ₹100,000,000 divided into 50,000,000 Equity Shares of ₹ 2 each, pursuant to the sub-division of the equity shares of our Company
August 24, 2022	Clause V (a) of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹100,000,000 divided into 50,000,000 Equity Shares of ₹ 2 each to ₹240,000,000 divided into 120,000,000 Equity Shares of ₹2 each
December 8, 2022	Clause I of our Memorandum of Association was amended to reflect the change in our name from “Survival Technologies Private Limited” to “Survival Technologies Limited”

## Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2006	Established our 1 <sup>st</sup> manufacturing facility located at Unit I
2007	Commenced research and development activities at Unit I
2009	Established the manufacturing facility at Unit II
2016	Established the manufacturing facility at Unit III
2022	Commenced research and development activities at our research and development facility located at Bhiwandi

## Key awards, accreditations or recognitions

The following are the key awards, accreditations and recognitions received by our Company:

### Awards

Calendar Year	Particulars
2016	Received an award 'In appreciation of being our partner in progress & for sustained business excellence' at the Sai Global Supply Chain Collaboration Meet 2016, Hyderabad

### Accreditations and recognitions

Calendar Year	Particulars
2021	Received certificate of good manufacturing practices in manufacturing and testing of bulk drugs from the Food & Drugs Control Administration, Gandhinagar, Gujarat for Unit III
2022	Received ISO 9001:2015 certification for manufacture, sales and export of specialty fine chemicals and organic intermediates for Unit III

## Launch of key products or services, entry in new geographies or exit from existing markets

For details of launch of key products or services, entry in new geographies or exit from existing markets by our Company, see “– Major Events and Milestones of our Company” and “Our Business” on pages 207 and 174, respectively.

## Capacity / facility creation and location of plants

For details regarding capacity or facility creation and the location of plants, see “– Major Events and Milestones of our Company” and “Our Business” on pages 207 and 174, respectively.

## Significant financial or strategic partners

Our Company does not have any financial or strategic partners as on the date of this Draft Red Herring Prospectus.

## Time or cost overruns

There have been no time or cost overruns in the setting up of projects by our Company since incorporation.

## 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, nor have any such loans been converted into Equity Shares as on date of this Draft Red Herring Prospectus.

### **Our holding company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### **Our subsidiaries**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

### **Our associates**

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates.

### **Our joint ventures**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

### **Details regarding material acquisition or divestment of business or undertakings in the last 10 years**

There have been no material acquisitions or divestments of business or undertakings by our Company in the last 10 years.

### **Shareholders' agreements**

There are no subsisting shareholders' agreements which our Company is aware of, as on the date of this Draft Red Herring Prospectus.

### **Details regarding mergers or amalgamation in the last 10 years**

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

### **Details regarding 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.

### **Agreements with Key Managerial Personnel, Director, Promoter or any other employee in relation to compensation or profit sharing**

Neither our Promoters, nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

### **Guarantees given by our Promoter Selling Shareholders**

Other than as disclosed below, as on the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholders have not given any guarantees to third parties:

<b>S. No.</b>	<b>Guarantee issued by</b>	<b>Guarantee issued in favour of</b>	<b>Borrower</b>	<b>Guarantee amount (in ₹ million)</b>	<b>Type of facility</b>
1.	Vijaykumar Raghunandanprasad Agrawal	Kotak Mahindra Bank Limited	Rudra Speciality Chem Private Limited (Group Company)	115.00	Working capital and letters of credit
2.	Nimai Vijay Agrawal	Kotak Mahindra Bank Limited	Rudra Speciality Chem Private Limited (Group Company)	115.00	Working capital and letters of credit



S. No.	Guarantee issued by	Guarantee issued in favour of	Borrower	Guarantee amount (in ₹ million)	Type of facility
3.	Vijaykumar Raghunandanprasad Agrawal	Kotak Mahindra Bank Limited	Company	755.80	Working capital and letters of credit
4.	Nimai Vijay Agrawal	Kotak Mahindra Bank Limited	Company	755.80	Working capital and letters of credit

The abovementioned guarantees have been issued in connection with the loan facilities availed by our Company and our Group Company, Rudra Speciality Chem Private Limited. Pursuant to the terms of the guarantee, the obligations of Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal include repayment of the guaranteed sums in case of default by the respective borrowers. The financial implications in case of default by the borrower are that the lender would be entitled to invoke the guarantee to the extent of the outstanding loan amount. The guarantee is effective for a period until the underlying loan is to be repaid by the respective borrower.

#### **Other agreements**

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

Additionally, there are no other *inter se* agreements or arrangements, deeds of assignment, acquisition agreements or other agreements of similar nature, and no clauses or covenants which are material, and which need to be disclosed or which are, in each case, adverse / pre-judicial to the interest of minority / public shareholders.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors and two are woman Directors. The Chairman of our Board, Vijaykumar Raghunandanprasad Agrawal is an Executive Director.

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

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
<p><b>Vijaykumar Raghunandanprasad Agrawal</b></p> <p><i>Designation:</i> Chairman and Whole-time Director</p> <p><i>Date of birth:</i> March 13, 1952</p> <p><i>Address:</i> 23, Ahoora Mahal 6<sup>th</sup> Floor 93, Marine Drive, G Road, Mumbai – 400002 Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> Five years with effect from September 18, 2022</p> <p><i>Period of directorship:</i> Since June 27, 2005</p> <p><i>DIN:</i> 01710632</p>	70	<ol style="list-style-type: none"> <li>1. Rudra Speciality Chem Private Limited</li> <li>2. Lee Pharma Limited</li> <li>3. Agarwal Chemical Agencies Private Limited</li> <li>4. Survival Health &amp; Nutricare Private Limited</li> </ol>
<p><b>Nimai Vijay Agrawal</b></p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Date of birth:</i> February 11, 1984</p> <p><i>Address:</i> 23, Ahoora Mahal 6<sup>th</sup> Floor, 93 Marine Drive G Road, Mumbai – 400002 Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> Five years with effect from August 24, 2022</p> <p><i>Period of directorship:</i> Since incorporation</p> <p><i>DIN:</i> 01501234</p>	38	<ol style="list-style-type: none"> <li>1. Rudra Speciality Chem Private Limited</li> <li>2. Survival Health &amp; Nutricare Private Limited</li> </ol>
<p><b>Prabha Vijay Agarwal</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of birth:</i> March 17, 1954</p> <p><i>Address:</i> 23, Ahoora Mahal, G Road, 93 Marine Drive, Mumbai – 400002 Maharashtra, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Five years with effect from September 18, 2022</p>	68	<ol style="list-style-type: none"> <li>1. Rudra Speciality Chem Private Limited</li> <li>2. Agarwal Chemical Agencies Private Limited</li> </ol>

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Period of directorship: Since incorporation  DIN: 01793823		
<b>Dr. Ganapati Dadasaheb Yadav</b>  <i>Designation:</i> Independent Director  <i>Date of birth:</i> September 14, 1952  Address: Flat No. 1201, A Wing, Plot No. 11, 12, 13, Palm Springs CHSL, Sector 7, Airoli, Thane, Navi Mumbai - 400708 Maharashtra, India  Occupation: Scientist, Consultant, Professor  Current Term: Five years with effect from December 15, 2022  Period of directorship: Since December 15, 2022  DIN: 02235661	70	1. Aarti Industries Limited 2. Clean Science And Technology Limited 3. Godrej Industries Limited 4. Meghmani Organics Limited 5. Bhageria Industries Limited
<b>Ruchi Shrinath Pandya</b>  <i>Designation:</i> Independent Director  <i>Date of birth:</i> December 31, 1980  Address: 601 Tulip CHS, S.V. Road, Santacruz West, Mumbai – 400054 Maharashtra, India  Occupation: Professional  Current Term: Five years with effect from December 15, 2022  Period of directorship: Since December 15, 2022  DIN: 09718368	41	Nil
<b>Adesh Kumar Gupta</b>  <i>Designation:</i> Independent Director  <i>Date of birth:</i> September 11, 1956  Address: 701 Tagore Avenue, Tagore Road, Santacruz West, Mumbai – 400 054 Maharashtra, India  Occupation: Professional  Current Term: Five years with effect from December 15, 2022  Period of directorship: Since December 15, 2022  DIN: 00020403	66	1. Care Ratings Limited 2. CARE Risk Solutions Private Limited 3. Grasim Industries Limited 4. India Pesticides Limited 5. Krazybee Services Private Limited 6. Krsnaa Diagnostics Limited 7. Vinati Organics Limited 8. Zee Entertainment Enterprises Limited

### Brief profiles of our Directors

**Vijaykumar Raghunandanprasad Agrawal** is the Chairman and Whole-time Director of the Board of our

Company. He holds a bachelor's degree in commerce from the University of Bombay. He has over 40 years of experience in the speciality chemicals sector.

**Nimai Vijay Agrawal** is the Managing Director and Chief Executive Officer on the Board of our Company. He has completed the Senior Executive Leadership Program from the Harvard Business School. He has over 17 years of experience in the speciality chemicals sector.

**Prabha Vijay Agarwal** is a Whole-time Director on the Board of our Company. She holds a master's degree in arts (economics) from the University of Bombay. She has over 17 years of experience in the speciality chemicals sector.

**Dr. Ganapati Dadasaheb Yadav** is an Independent Director on the Board of our Company. He holds a bachelor's degree in chemical engineering from the University of Bombay. He has also been awarded with a doctorate in philosophy (technology) from the University of Bombay, a doctorate in science (honoris causa) from D.Y. Patil University, Kolhapur and a doctorate in engineering (honoris causa) from the National Institute of Technology, Agartala. He was awarded the civilian honour of Padma Shri by the Government of India in 2016.

**Ruchi Shrinath Pandya** is an Independent Director on the Board of our Company. She holds a bachelor's degree in legal sciences from the University of Mumbai and was admitted as an advocate with the Bar Council of Maharashtra & Goa in 2005 and as a solicitor in the United Kingdom & Wales in 2006. She has been a partner with Little & Co., Solicitors & Advocates since 2016.

**Adesh Kumar Gupta** is an Independent Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Jodhpur and is an associate member of the Institute of Chartered Accountants of India. He is a registered insolvency professional with the Insolvency and Bankruptcy Board of India. He previously held the position of whole time director and chief financial officer at Grasim Industries Limited.

#### **Details of directorships in companies suspended or delisted**

None of our Directors is or was a director of any listed company, whose shares have been 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.

Further, 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.

#### **Relationships between our Directors and Key Managerial Personnel**

Except for Vijaykumar Raghunandanprasad Agrawal and Prabha Vijay Agarwal who are spouses and the parents of Nimai Vijay Agrawal, none of our Directors are related to each other or to any of our Key Managerial Personnel.

#### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **Service contracts with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

#### **Borrowing Powers**

Pursuant to our Articles of Association and the resolution of our Board dated December 15, 2022, our Board may borrow money for and on behalf of our Company from time to time as deemed by it to be requisite and proper for our business, such that the moneys to be borrowed together with the moneys already borrowed by our Company do not exceed ₹2,000.00 million or the aggregate of the paid share capital and free reserves of our Company as per the latest annual audited financial statements, apart from temporary loans obtained from the bankers of our Company

in the ordinary course of business, whichever is lower.

## **Terms of appointment of our Directors**

### **a) Terms of employment of our Executive Directors**

#### **Nimai Vijay Agrawal, Managing Director and Chief Executive Officer**

Nimai Vijay Agrawal was appointed as the Managing Director and Chief Executive Officer of our Company pursuant to the resolution passed by our Board on September 15, 2022 and our Shareholders on September 18, 2022, for a period of five years with effect from August 24, 2022. He receives remuneration from our Company in accordance with the Board resolution dated September 15, 2022 and the resolution of our shareholders approved in their general meeting held on September 18, 2022, and the service agreement dated April 28, 2021 entered into by our Company with him. The details of the remuneration that Nimai Vijay Agrawal is entitled to and the other terms of his employment are enumerated below:

- Monthly remuneration of ₹ 3.50 million; and
- Reimbursement at actuals for expenses incurred for travel, boarding and lodging including for spouse or attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence.

#### **Vijaykumar Raghunandanprasad Agrawal, Chairman and Whole-time Director**

Vijaykumar Raghunandanprasad Agrawal was appointed as the Chairman and Whole-time Director of our Company pursuant to the resolution passed by our Board on September 15, 2022 and our Shareholders on September 18, 2022, for a period of five years with effect from September 18, 2022. He receives remuneration from our Company in accordance with the Board resolution dated September 15, 2022 and the resolution of our shareholders approved in their general meeting held on September 18, 2022, and the service agreement dated April 28, 2021 entered into by our Company with him. The details of the remuneration that Vijaykumar Raghunandanprasad Agrawal is entitled to and the other terms of his employment are enumerated below:

- Monthly remuneration of ₹ 3.50 million; and
- Reimbursement at actuals for expenses incurred for travel, boarding and lodging including for spouse or attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence.

#### **Prabha Vijay Agarwal, Whole-time Director**

Prabha Vijay Agarwal was appointed as the Whole-time Director of our Company pursuant to the resolution passed by our Board on September 15, 2022 and our Shareholders on September 18, 2022, for a period of five years with effect from September 18, 2022. She receives remuneration from our Company in accordance with the Board resolution dated September 15, 2022 and the resolution of our shareholders approved in their general meeting held on September 18, 2022, and the service agreement dated April 28, 2021 entered into by our Company with her. The details of the remuneration that Prabha Vijay Agarwal is entitled to and the other terms of her employment are enumerated below:

- Monthly remuneration of ₹ 1.50 million; and
- Reimbursement at actuals for expenses incurred for travel, boarding and lodging including for spouse or attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence.

### **b) Sitting fees and commission to Independent Directors**

Pursuant to resolutions of our Board each dated December 15, 2022, our Independent Directors are entitled to receive sitting fees of ₹ 0.10 million for attending each meeting of our Board and ₹ 0.05 million for attending each meeting of the committees constituted of the Board. Further, our Independent Directors may be paid

commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

Our Company has not entered into any contract appointing or fixing the remuneration of a Director, Whole-time Director, or manager in the two years preceding the date of this Draft Red Herring Prospectus.

#### **Payments or benefits to our Directors**

##### **a) Executive Directors**

The table below sets forth the details of the remuneration paid for the Fiscal 2022:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Remuneration for Fiscal 2022 (in ₹ million)</b>
1.	Vijaykumar Raghunandanprasad Agrawal	42.00
2.	Nimai Vijay Agrawal	42.00
3.	Prabha Vijay Agarwal	18.00

##### **b) Independent Directors**

No remuneration was paid to our Independent Directors during the Fiscal 2022, since our Independent Directors have only been associated with our Company since December 15, 2022.

#### **Remuneration paid or payable to our Directors by our subsidiaries or associates**

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries or associates.

#### **Contingent and deferred compensation payable to the Directors**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

#### **Bonus or profit-sharing plan for our Directors**

Except as set out in “– *Terms of appointment of our Directors*” on page 213, our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

#### **Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

<b>Name of Director</b>	<b>No. of Equity Shares</b>	<b>Percentage of the pre-Offer paid up share capital (%)</b>
Vijaykumar Raghunandanprasad Agrawal	58,629,750	67.98%
Nimai Vijay Agrawal	22,875,000	26.52%
Prabha Vijay Agarwal	4,650,000	5.39%

#### **Interest 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, if any, payable to them by our Company. For further details, see “*Other Financial Information – Related Party Transactions*” on page 306.

Our Directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the

extent of any dividend payable to them and other distributions in respect of these Equity Shares. For further details regarding the shareholding of our Directors, see “– *Shareholding of Directors in our Company*” on page 214.

Further, our Directors are also directors on the boards, or are shareholders, and trustees of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details, see “*Other Financial Information – Related Party Transactions*” on page 306.

Except to the extent of the sale of Equity Shares in the Offer for Sale by the Selling Shareholders, who are also Directors of our Company, there is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

As on the date of this Draft Red Herring Prospectus, except for Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal, who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company. For further details, see “*Our Promoters and Promoter Group*” on page 227.

Our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

#### **Other confirmations**

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

#### **Changes to our Board in the last three years**

Except as mentioned below, there have been no changes in our Directors in the last three years:

<b>Name of Director</b>	<b>Designation (at the time of appointment / change in designation / cessation)</b>	<b>Date of appointment / change in designation / cessation</b>	<b>Reason</b>
Nimai Vijay Agrawal	Managing Director	August 24, 2022	Change in designation to Managing Director and Chief Executive Officer
Vijaykumar Raghunandanprasad Agrawal	Chairman and Whole-time Director	September 18, 2022	Appointment as Chairman and Whole-time Director
Prabha Vijay Agarwal	Whole-time Director	September 18, 2022	Appointment as Whole-time Director
Dr. Ganapati Dadasaheb Yadav	Independent Director	December 15, 2022	Appointment as Independent Director
Ruchi Shrinath Pandya	Independent Director	December 15, 2022	Appointment as Independent Director
Adesh Kumar Gupta	Independent Director	December 15, 2022	Appointment as Independent Director

*Note: This table does not include details of regularisations of additional Directors.*

#### **Corporate Governance**

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

## Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee

For purposes of the Offer, our Board has also constituted an IPO Committee.

### (a) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated December 15, 2022. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Adesh Kumar Gupta	Chairperson	Independent Director
Ruchi Shrinath Pandya	Member	Independent Director
Vijaykumar Raghunandanprasad Agrawal	Member	Chairman and Whole-time Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

### Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference;
- (2) to seek information from any employee;
- (3) to obtain outside legal or other professional advice;
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

### Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to Survival Technologies Limited (the "**Company**") to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;



- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company to take up steps in this matter;
- (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit processes;
- (10) approval of 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 the conditions as may be prescribed;

***Explanation:*** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (11) approval of Related party transaction to which the subsidiary is a party;
- (12) scrutiny of inter-corporate loans and investments;
- (13) valuation of undertakings or assets of the Company, wherever it is necessary;
- (14) evaluation of internal financial controls and risk management systems;
- (15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (16) 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;

- (17) discussion with internal auditors of any significant findings and follow up there on;
- (18) 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;
- (19) 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;
- (20) 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;
- (21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (22) reviewing the functioning of the whistle blower mechanism;
- (23) monitoring the end use of funds raised through public offers and related matters;
- (24) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (25) approval of appointment of chief financial officer (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;
- (26) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 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;
- (27) to formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (29) approving the key performance indicators (“**KPIs**”) for disclosure in the offer documents; and
- (30) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations, Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time.

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 management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and

- f) Statement of deviations in terms of the SEBI Listing Regulations:
- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - b. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of the SEBI Listing Regulations.
- g) review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**(b) Nomination and Remuneration Committee**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated December 15, 2022. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Dr. Ganapati Dadasaheb Yadav	Chairperson	Independent Director
Ruchi Shrinath Pandya	Member	Independent Director
Adesh Kumar Gupta	Member	Independent Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”).

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.
- (2) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates;

- (3) Formulation of criteria for evaluation of independent directors and the Board;
- (4) Devising a policy on Board diversity;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- (6) Analysing, monitoring and reviewing various human resource and compensation matters;
- (7) Deciding 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;
- (8) 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;
- (9) Recommending to the board, all remuneration, in whatever form, payable to non-executive directors and the senior management and other staff, as deemed necessary;
- (10) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (11) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (12) 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, if applicable;
- (13) 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.
- (14) Construing and interpreting 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**”) 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;
- (15) Frame 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; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (16) Specifying the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (17) Perform such other activities as may be delegated by the Board or specified / provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

**(c) Stakeholders’ Relationship Committee**

The Stakeholders’ Relationship Committee was constituted by a resolution of our Board dated December 15, 2022. The Stakeholders’ Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders’ Relationship Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Dr. Ganapati Dadasaheb Yadav	Chairperson	Independent Director
Nimai Vijay Agrawal	Member	Managing Director and Chief Executive Officer
Vijaykumar Raghunandanprasad Agrawal	Member	Chairman and Whole-Time Director

The scope and function of the Stakeholders’ Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (4) 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;
- (5) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (6) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- (7) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (8) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (9) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
- (10) 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; and
- (11) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

**(d) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated December 15, 2022. The current constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Vijaykumar Raghunandanprasad Agrawal	Chairperson	Chairman and Whole-Time Director
Prabha Vijay Agrawal	Member	Whole-Time Director
Dr. Ganapati Dadasaheb Yadav	Member	Independent Director

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

- (a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board
- (b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes
- (c) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company.

The amount spent in pursuant of the “Corporate Social Responsibility Committee” shall be, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years

- (d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities
- (e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes
- (f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time
- (g) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
  - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company, and
- (h) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

**(e) Risk Management Committee**

The Risk Management Committee was constituted by a resolution of our Board dated December 15, 2022. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The current constitution of the Risk Management Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Ruchi Shrinath Pandya	Chairperson	Independent Director
Adesh Kumar Gupta	Member	Independent Director
Vijaykumar Raghunandanprasad Agrawal	Member	Chairman and Whole-Time Director

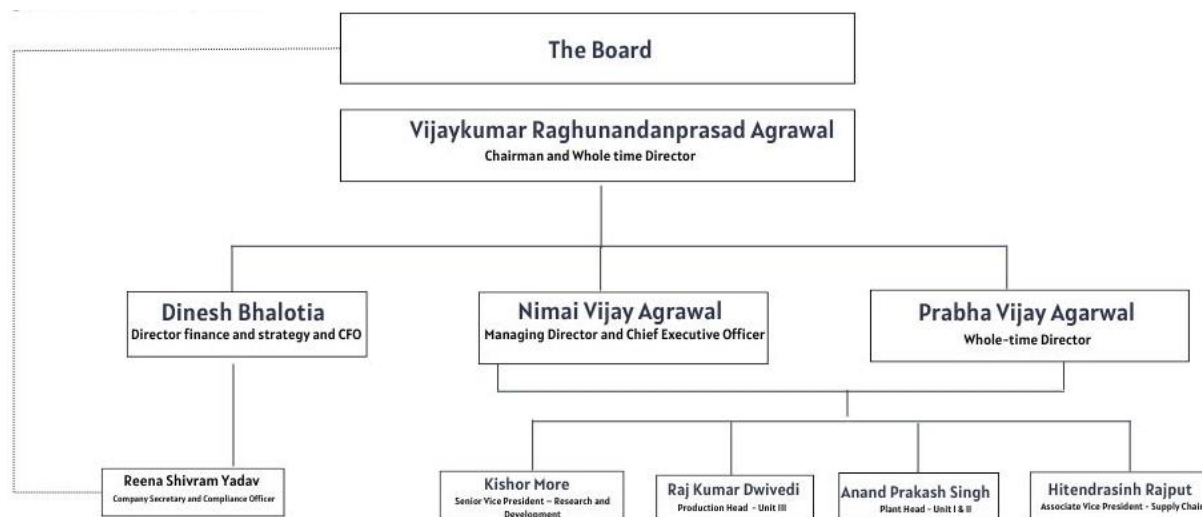
The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - (c) Business continuity plan;
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (7) The Risk Management committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- (8) The Risk Management committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (9) Perform such other activities as may be delegated by the Board or specified / provided under the SEBI Listing Regulations, as amended or under any other applicable law or by any regulatory authority;

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations.

#### Management organization chart



#### Key Managerial Personnel

In addition to Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal, the Executive Directors of our Company, whose details are provided in “– *Brief profiles of our Directors*” on page 211, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

**Dinesh Bhalotia** is the Director Finance and Strategies & Chief Financial Officer of our Company. He has been associated with our Company since January 16, 2021. He is an associate member of the Institute of Chartered Accountants of India. Before his association with our Company, he has served as the chief financial officer with Asian Hotels (North) Limited. He was paid a remuneration of ₹ 7.00 million for Fiscal 2022.

**Reena Shivram Yadav** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since April 1, 2022. She holds a bachelor’s degree in commerce and a bachelor’s degree in law from the University of Mumbai. She is an Associate member of the Institute of Company Secretaries



of India. Prior to joining our Company, she was serving as the company secretary and compliance officer at Informed Technologies India Limited. Since she joined our Company on April 1, 2022, she was not paid any remuneration by our Company in Fiscal 2022.

**Kishor More** is the Senior Vice President – Research and Development of our Company. He has been associated with our Company since December 1, 2021. He holds a bachelor’s degree in science from the University of Poona, a master’s degree in science from the North Maharashtra University, Jalgaon and a doctorate in philosophy (chemistry) from the University of Pune. He was a guest researcher for postdoctoral work at the Vienna University of Technology and a postdoctoral research associate in the department of chemistry and biochemistry at Texas Tech University. He has over 20 years of experience in the field of chemistry and has previously been associated with Wellchem Laboratories, Strides Arcolab Limited, Bharat Pulverising Mills Ltd., Ipca Laboratories Limited and Shandong Keyuan Pharmaceutical Co. Ltd. He was paid a remuneration of ₹ 1.11 million in Fiscal 2022.

**Hitendrasinh Rajput** is the Associate Vice President – Supply Chain of our Company. He has been associated with our Company since May 23, 2022. He holds a bachelor’s degree in commerce from the Gujarat University. Prior to joining our Company, he was engaged as the Head – Purchase & Supply Chain with Elixir Pharma. Since he joined our Company on May 23, 2022, he was not paid any remuneration by our Company in Fiscal 2022.

**Raj Kumar Dwivedi** is the Production Head for Unit III of our Company. He has been associated with our Company since March 5, 2018. He holds a bachelor’s degree in science from Avadh University, Faizabad. He has over 17 years of experience in chemical industry. He was paid a remuneration of ₹ 1.99 million in Fiscal 2022.

**Anand Prakash Singh** is the Plant Head for our Units I and II. He has been associated with our Company since September 7, 2008. He holds a master’s degree in science (chemistry) from Magadh University. He was paid a remuneration of ₹ 3.41 million in Fiscal 2022.

#### **Relationships among Key Managerial Personnel, and with Directors**

None of our Key Managerial Personnel are related to each other or to the Directors of our Company, except as disclosed in “- *Relationships between our Directors and Key Managerial Personnel*” on page 212.

#### **Arrangements or understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Changes in the Key Managerial Personnel in last three years**

Except as mentioned below, and as specified in “- *Changes to our Board in the last three years*” on page 215, there have been no changes in the Key Managerial Personnel in the last three years:

<b>Name</b>	<b>Date of change</b>	<b>Reason</b>
Dinesh Bhalotia	August 24, 2022	Appointment as Chief Financial Officer
Reena Shivram Yadav	August 24, 2022	Appointment as Company Secretary
Reena Shivram Yadav	December 15, 2022	Appointment as Compliance Officer

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

#### **Status of Key Managerial Personnel**

As on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel are permanent employees of our Company.

#### **Retirement and termination benefits**

Our Key Managerial Personnel have not entered into any service contracts with our Company which include

termination or retirement benefits. Except gratuity and other statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

#### **Shareholding of the Key Managerial Personnel**

Except as disclosed under “– *Shareholding of Directors in our Company*” on page 214, none of our other Key Managerial Personnel hold any Equity Shares in our Company.

#### **Contingent and deferred compensation payable to Key Managerial Personnel**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2022, which does not form part of their remuneration for such period.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Our Company has no profit-sharing plan in which the Key Managerial Personnel participate. Our Company makes bonus payments to our Key Managerial Personnel, in accordance with their terms of appointment.

#### **Interest of Key Managerial Personnel**

Our Key Managerial Personnel are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Our 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 our Company.

#### **Employee Stock Option Plan**

For details about our employee stock option plan, see “*Capital Structure*” on page 90.

#### **Payment or Benefit to officers of our Company (non-salary related)**

No non-salary related amount or benefit has been paid or given within the two years preceding the date of the Draft Red Herring Prospectus or is intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 81,504,750 Equity Shares, representing 94.50% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details, please see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” beginning on page 95.

### Details of our Promoters

#### 1. Vijaykumar Raghunandanprasad Agrawal



Vijaykumar Raghunandanprasad Agrawal, aged 70 years, is one of our Promoters and is also the Chairman and Whole-time Director on our Board. For the complete profile of Vijaykumar Raghunandanprasad Agrawal along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, other ventures and business and financial activities, see “*Our Management – Board of Directors*” on page 210.

His permanent account number is ADJPA5120D.

As on date of this Draft Red Herring Prospectus, Vijaykumar Raghunandanprasad Agrawal holds 58,629,750 Equity Shares, representing 67.98% of the issued, subscribed and paid-up equity share capital of our Company.

#### 2. Nimai Vijay Agrawal



Nimai Vijay Agrawal, aged 38 years, is one of our Promoters and is also the Managing Director and Chief Executive Officer of our Company. For the complete profile of Nimai Vijay Agrawal along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, other ventures and business and financial activities, see “*Our Management – Board of Directors*” on page 210.

His permanent account number is AHCPA0120C.

As on date of this Draft Red Herring Prospectus, Nimai Vijay Agrawal holds 22,875,000 Equity Shares, representing 26.52% of the issued, subscribed and paid-up equity share capital of our Company.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving license number of our Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

### Change in control of our Company

While there has not been any change in the control of our Company during the five years preceding the date of this Draft Red Herring Prospectus, Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal have been identified as promoters of our Company pursuant to a resolution passed by our Board on December 15, 2022. For further details of acquisition of Equity Shares by our Promoters, please see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 95.

### Interests of Promoters

Our Promoters are interested in our Company to the extent that they are the Promoters of our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends

payable, if any, and any other distributions in respect of their respective shareholding in our Company, the shareholding of their relatives in our Company. For details of the shareholding of our Promoters in our Company, see “*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in the Company*” beginning on page 95.

Further, our Promoters are also directors on the boards, or are shareholders, or trustees of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see “*Other Financial Information – Related Party Transactions*” beginning on page 306.

Vijaykumar Raghunandanprasad Agrawal and Nimai Vijay Agrawal may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses, sitting fees and commission payable to them as Directors on our Board. For further details, see “*Our Management – Interest of Directors*” beginning on page 214.

None of our Promoters have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

#### **Companies or firms with which our Promoters have disassociated in the last three years**

Except for the following, none of our Promoters have disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus:

<b>S. No.</b>	<b>Name of the entity from which our Promoter has disassociated</b>	<b>Promoter</b>	<b>Date of disassociation</b>	<b>Reason for disassociation</b>
1.	Emmessar Biotech and Nutrition Ltd	Vijaykumar Raghunandanprasad Agrawal	September 6, 2022	Resignation as independent directors on account of personal reasons and other professional commitments

#### **Payment or Benefits to Promoters or Promoter Group**

There has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

#### **Material Guarantees given by our Promoters with respect to the Equity Shares**

Our Promoters have not given any material guarantee to any third party in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

#### **Promoter Group**

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

#### ***Natural persons who are part of the Promoter Group***

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

S. No.	Name of Promoter	Name of Promoter Group Member	Relationship with Promoter (as defined under the Companies Act, 2013)
1.	Vijaykumar Raghunandanprasad Agrawal	Prabha Vijay Agarwal	Spouse
		Surendrakumar Agrawal	Brother
		Rajendrakumar Raghunandan Agrawal	Brother
		Sitadevi Agrawal	Sister
		Asha Suresh Gupta	Sister
		Nirmala Mangalick	Sister
		Dr. Sushma Jain	Sister
		Nimai Vijay Agrawal	Son
		Laxmi Vivek Bansal	Daughter
		Gauri Jain	Daughter
		Rambhakt Agrawal	Spouse's brother
		Sudha Bubna	Spouse's sister
		Rekha Kedia	Spouse's sister
		Indu Agrawal	Spouse's sister
Radha Agrawal	Spouse's sister		
2.	Nimai Vijay Agrawal	Namrata Nimai Agrawal	Spouse
		Prabha Vijay Agarwal	Mother
		Vijaykumar Raghunandanprasad Agrawal	Father
		Laxmi Vivek Bansal	Sister
		Gauri Jain	Sister
		Rudra Agrawal	Son
		Shiv Agrawal	Son
		Nandini Agrawal	Daughter
		Anil Amarlal Kalra	Spouse's father
		Manisha Anil Kalra	Spouse's mother
Suhani Tarun Mackdani	Spouse's sister		

***Entities forming part of the Promoter Group***

The entities forming part of our Promoter Group are as follows:

1. Agarwal Chemical Agencies Private Limited;
2. Ninarisa Chemicals LLP;
3. Raghunandan Agrawal Charitable Trust;
4. Rudra Speciality Chem Private Limited;
5. Sisco Research Laboratories Private Limited;
6. Spectrochem Private Limited;
7. Sunrise Lifesciences Private Limited;
8. Tejas Organics Private Limited;
9. Precision Sensors Private Limited; and
10. Satish Chand Mangalick HUF.

## GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company has considered (i) such companies with which there were related party transactions during the period for which Restated Financial Information have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board, in its meeting held on December 19, 2022, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a 'group company' in this Draft Red Herring Prospectus. In terms of such materiality policy, if a company (a) is a member of the Promoter Group; and (b) has entered into one or more transactions with the Company during the most recent Financial Year and any stub period included in the Restated Financial Information, that cumulatively exceed 10% of the revenue from operations of our Company derived from the Restated Financial Information of the last completed full Financial Year, or the relevant stub period, as applicable, shall be considered material and disclosed as a 'group company'.

Based on the parameters set out above, the following have been identified as Group Companies:

1. Rudra Speciality Chem Private Limited;
2. Sisco Research Laboratories Private Limited; and
3. Spectrochem Private Limited.

### Details of our Group Companies:

The details of our Group Companies are as provided below:

#### 1. *Rudra Speciality Chem Private Limited*

The registered office of Rudra Speciality Chem Private Limited is situated at 62 Wadia Building, 3<sup>rd</sup> Floor, 9/B, Cawasji Patel Street, Fort, Mumbai 400001 Maharashtra, India.

Rudra Speciality Chem Private Limited's financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements for Fiscals 2022, 2021 and 2020 is available on the website of our Company at <http://survivaltechnologies.in/investor-relations>.

#### 2. *Sisco Research Laboratories Private Limited*

The registered office of Sisco Research Laboratories Private Limited is situated at Unit No. A-608, B-Wing, Satellite Gazebo, Near Solitaire Park, Andheri (East), Mumbai 400099 Maharashtra, India.

Sisco Research Laboratories Private Limited's financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements for Fiscals 2022, 2021 and 2020 is available on the website of our Company at <http://survivaltechnologies.in/investor-relations>.

#### 3. *Spectrochem Private Limited*

The registered office of Spectrochem Private Limited is situated at Office 2, Floor 1, 384M, Anand Properties, Kalbadevi Road, Dabholkar Wadi, Kalbadevi, Mumbai 400002 Maharashtra, India.

Spectrochem Private Limited's financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements for Fiscals 2022, 2021 and 2020 is available on the website of our Company at <http://survivaltechnologies.in/investor-relations>.

### Common pursuits among Group Companies

Our Group Companies are engaged in businesses similar to that of our Company. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. See “*Risk Factors – Our Promoters, and Directors and Group Companies have interests in certain companies, which are in businesses similar to ours and this may result in potential conflict of interest with us*” on page 64.

#### **Nature and extent of interest of our Group Companies**

##### ***a. Interest in the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

##### ***b. Interest in the property acquired or proposed to be acquired by the Company***

None of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

##### ***c. Interest in transactions for acquisition of land, construction of building, or supply of machinery***

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, or supply of machinery, with our Company.

#### **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Other Financial Information – Related Party Transactions*” on page 306, there are no related business transactions between the Group Companies and our Company.

#### **Business interest of our Group Companies in our Company**

Except as disclosed in the section “*Other Financial Information – Related Party Transactions*” on page 306, our Group Companies have no business interests in our Company.

#### **Litigation**

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

#### **Other confirmations**

The securities of our Group Companies are not listed on any stock exchange. Our Group Companies have not made any public / rights / composite issue (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

The dividend policy of our Company was adopted pursuant to the resolution of our Board dated December 15, 2022 (“**Dividend Policy**”). In terms of the Dividend Policy, our Board will consider various internal / financial parameters before declaring or recommending dividend to Shareholders, including, amongst others, the operating cash flow of our Company, the profits earned during the year, the profits available for distribution, the earnings per share, and our working capital requirements. Further, our Board will consider external factors, such as industry outlook and economic environment, statutory provisions and guidelines, and dividend pay-out ratios of companies in the same industry, before declaring dividend.

Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Except as disclosed below, our Company has not declared any dividends on the Equity Shares during the last three Fiscals, and the period from March 31, 2022, until the date of this Draft Red Herring Prospectus:

*(in ₹ million, unless otherwise stated)*

Particulars	For the Fiscal			For the period from
	2020	2021*	2022**	March 31, 2022 till date
Number of Equity Shares	5,750,000	5,750,000	28,750,000	86,250,000
Face value per Equity Share (in ₹)	10	10	2	2
Dividend paid (in ₹ million)	-	5.75	5.75	-
Dividend per Equity Share (in ₹)	-	1	0.20	-
Rate of Dividend (%)	-	10	10	-
Mode of payment of dividend	-	E Banking	E Banking	-
Dividend tax (%)	-	-	-	-

\* This is pertaining to interim dividend paid for Fiscal Year ended March 31, 2021.

\*\* The dividend for Fiscal Year ended March 31, 2022. The dividend was declared by the Board at its meeting dated September 15, 2022 and approved by the Shareholders at their annual general meeting dated September 18, 2022.

Note: Pursuant to a resolution of Board of Directors dated June 17, 2022 and the shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value to ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 57,50,000 equity shares of face value of ₹ 10 each to 28,750,000 equity shares of face value of ₹ 2 each.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see “*Risk Factors – While we have declared dividends in the past, our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements*” on page 63.



**SECTION VI – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

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**SRBC & CO LLP**  
**Chartered Accountants**  
**12<sup>th</sup> Floor, The Ruby,**  
**29, Senapati Bapat Marg, Dadar (West)**  
**Mumbai – 400028**

**Lodha & Co**  
**Chartered Accountants**  
**Karim Chambers, 40 Ambalal Doshi**  
**Marg, Hamam Street, Fort,**  
**Mumbai - 400023**

**Independent Auditors' Examination Report on the Restated Ind AS Summary Statements of Assets and Liabilities as at June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and Restated Ind AS Summary Statement of Profits and Losses (including other comprehensive income), Restated Summary Statement of Cash Flows and Restated Ind AS Summary Statement of Changes in Equity for the period from April 01, 2022 to June 30, 2022 and each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, Summary Statement of Significant Accounting Policies and other explanatory information of Survival Technologies Limited (collectively, the "Restated Ind AS Summary Statements").**

To  
The Board of Directors  
Survival Technologies Limited (formerly Survival Technologies Private Limited)  
1401, 14th Floor, Naman Midtown,  
Senapati Bapat Marg,  
Dadar West, Mumbai,  
Maharashtra – 400 028

Dear Sirs/Madams:

1. We, S R B C & CO LLP (“SRBC”) and Lodha & Co (LC), ( SRBC and LC are collectively referred to as the "Joint Auditors" and the references to the Joint Auditors as "we", "us" or "our", in this report, shall be construed accordingly) have examined the Restated Ind AS Summary Statements of Survival Technologies Limited (the “Company”) as at and for the year ended March 31, 2022, March 31, 2021, March 31, 2020 and period from April 01, 2022 to June 30, 2022 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) proposed to be filed with the Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) ; in connection with the proposed initial public offering of equity shares (“IPO”). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on December 19, 2022, have been prepared in accordance with the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India (“ICAI”), (the “Guidance Note”).
  - d) E-mail dated October 28, 2021, from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards (Ind AS) which has been communicated by the BRLMs to the Company pursuant to email dated 04 July, 2022 (“SEBI Letter”)
2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in 1.1 to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying

and ensuring that the Company complies with the Act, ICDR Regulations, the Guidance Note and the SEBI Letter.

3. We have examined such Restated Ind AS Summary Statements taking into consideration:
- a) (i) the terms of reference and terms of engagement agreed with you by SRBC vide engagement letter dated May 23,2022; and  
(ii) the terms of reference and terms of engagement agreed with you by LC vide engagement letter dated May 23 ,2022,  
requesting us to carry out the assignment, in connection with the proposed IPO of the Company.
  - b) the Guidance Note and SEBI Letter. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI.
  - c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
  - d) The requirements of Section 26 of the Act, the ICDR Regulations and the SEBI Letter.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and Guidance Note in connection with the IPO.

4. The Company proposes to make an initial public offering which comprises an offer for sale by certain existing shareholders' and fresh issue of its equity shares of face value of Rs. 2 each at such premium arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

#### **Restated Ind AS Summary Statements**

5. These Restated Ind AS Summary Statements have been compiled by the management of the Company from:
- a) Audited interim IND AS financial statements of the Company as at and for the three months ended June 30, 2022 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 19, 2022.
  - b) audited Ind AS financial statements of the Company as at and for the years ended March 31, 2022 prepared in accordance with the 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 (referred to as "Ind AS"), which have been approved by the Board of Directors at their meeting held on September 15, 2022.
  - c) Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on September 13 2022.

The Company appointed LC to audit the special purpose IND AS financial statements of the Company as at and for each of the year ended March 31, 2021, and March 31, 2020 in lieu of the statutory financial statements that were adopted by the Company on January 21, 2022 and December 18, 2020. LC has examined the restated Ind AS summary statements based on audit of special purpose financial statements for the said years.

The audited special purpose Ind AS financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed ,as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and

grouping/classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30,2022 in accordance with Ind AS, pursuant to the SEBI Letter.

6. For the purpose of our examination, we have relied on:

- a) Auditors' reports jointly issued by SRBC and LC, dated December 20, 2022 on the audited interim Ind AS financial statements of the Company as at and for the three month period ended 30 June, 2022 as referred in Paragraph 5(a) above.
- b) Auditors' reports jointly issued by SRBC and LC, dated September 15, 2022 on the audited Ind AS financial statements of the Company as at and for each the year ended March 31, 2022 as referred in Paragraph 5 (b) above.
- c) Auditors' report issued by LC, dated September 13, 2022, on the audited special purpose Ind AS Financial Statements as at and for the years ended March 31, 2021 and March 31, 2020, respectively, as referred in paragraph 5(c) above.
- d) Examination report on the restated Ind AS summary statement of assets and liabilities as at March 31, 2021 and March 31, 2020 and the restated Ind AS summary statement of profit and loss (including other comprehensive income), restated Ind AS summary statement of cash flows, restated Ind AS summary statement of changes in equity, the restated Ind AS summary statement of significant accounting policies and other explanatory information for the years ended March 31, 2021 and March 31, 2020 ("Restated Prior Period Ind AS Summary Statements") issued solely by LC.
- e) LC vide their examination report dated December 20, 2022 have also confirmed that the Restated Prior Period Ind AS Summary Statements:
  - i. have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications as at and for the [three months ended June 30, 2022;
  - ii. do not require any adjustment for modification as there is no modification in the underlying audit reports for the year ended March 31, 2021 and March 31, 2020; and
  - iii. have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI Letter.

This examination report insofar as it relates to these years is based solely on the reports submitted by LC, whose examination report has been relied upon by SRBC for the said years and SRBC has not carried out any additional procedures.

7. a. The Joint audit report on the financial statements of the Company as at and for the year ended March 31, 2022 mentioned in paragraph 6 (a) included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements): –

"We draw attention to note 45 to the financial statements, as regards restatements made to right of use assets of Rs 33.50 million, capital work in progress Rs (-)33.5 million, inventories Rs 17.16 million, provisions for employee benefits Rs 9.66 million, deferred tax liability Rs 2.18 million with corresponding impact on reserves as at April 01, 2020 and right of use assets of Rs 33.50 million, capital work in progress Rs (-)33.5 million, inventories Rs 11.01 million, provisions for employee benefits Rs 10.04 million, deferred tax liability Rs 0.24 million with corresponding impact on reserves March 31, 2021.

Our opinion is not modified in respect of the above matter".

- b. The Joint audit report on the financial statements of the Company as at and for the year ended March 31, 2022, included in Annexure 1, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020, which had the following qualifications mentioned in point i and ii below. However, these qualifications included did not require any corrective adjustment in the Restated Summary Statements –
- i. Undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases
- ii. As disclosed in note 43 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are not in agreement with the books of accounts of the Company and the details are as follows:

Area	Remarks	Jun-21	Sep-21	Dec-21	Mar-22	Reasons for difference
Trade Receivables	As per books	54,62,43,857	54,80,49,017	75,80,13,191	1,17,79,70,784	Payments adjusted in books post submission of returns/statement
Trade Receivables	As per returns	62,60,29,916	55,95,06,448	75,71,33,526	1,13,10,40,089	
Trade Payables	As per books	42,49,24,604	44,94,51,751	51,53,06,340	48,76,40,000	1) Payments adjusted in books post submission of returns/statement 2) Adjustment for advances to suppliers not done
Trade Payables	As per returns	23,14,01,249	26,69,60,456	22,57,22,178	36,58,88,342	
Sales	As per books	25,79,34,640	24,42,08,181	27,82,74,935	56,98,90,882	Entries posted/adjustments made post submission to bankers
Sales	As per returns	28,34,10,557	26,57,92,061	31,49,32,978	61,10,14,819	
Purchases	As per books	13,30,45,759	10,22,11,791	12,27,88,760	23,46,94,186	Entries posted/adjustments made post submission to bankers
Purchases	As per returns	14,20,27,647	12,74,12,503	12,94,47,895	27,34,73,651	
Stock	As per books	35,44,04,595	37,51,04,724	26,84,10,175	40,18,59,997	Entries posted/adjustments made post submission to bankers
Stock	As per returns	33,91,63,669	46,77,44,360	42,87,23,522	35,01,41,154	

- c. The audit reports on audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 referred to in paragraph 6(c) above included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements):

**As at and for the year ended March 31, 2021**

**“Emphasis of matter – Basis of preparation and restriction of use**

*We draw attention to Note 1.2 to the Special Purpose Ind AS financial statements, which describes the basis of preparation of these Special Purpose Ind AS financial statements which states that these Special Purpose Ind AS financial statements have been prepared to comply with E-mail dated October 28, 2021, from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India*

*stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards (Ind AS) (“SEBI Letter”) which has been communicated by the BRLMs to the Company pursuant to email dated 04 July, 2022. Accordingly, the Special Purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.”*

**As at and for the year ended March 31, 2020**

**“Emphasis of matter – Basis of preparation and restriction of use**

*We draw attention to Note 1.2 to the Special Purpose Ind AS financial statements, which describes the basis of preparation of these Special Purpose Ind AS financial statements which states that these Special Purpose Ind AS financial statements have been prepared to comply with E-mail dated October 28, 2021, from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards (Ind AS) (“SEBI Letter”) which has been communicated by the BRLMs to the Company pursuant to email dated 04 July, 2022.*

*Accordingly, the Special Purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.”*

8. Based on our examination and according to the information and explanations given to us and as per the reliance placed on the examination reports submitted by LC, we report that Restated Ind AS Summary Statements:  
  
have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended June 30, 2022;
  - i. does not contain any qualifications requiring adjustments in the audited financial statements of the Company as at and for the period ended June 30, 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020; and
  - ii. have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI Letter.
9. We have not audited any financial statements of the Company as of any date or for any period subsequent to June 30, 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to June 30, 2022
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5(a) above.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

**For S R B C & CO LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 324982E/E300003

**For Lodha & Co**

**Chartered Accountants**

ICAI Firm Registration Number: 301051E

per Ravi Bansal

Partner

Membership Number: 049365

UDIN: 22049365BFTJDQ5101

Place of Signature: Mumbai

Date: December 20, 2022

per R. P. Baradiya

Partner

Membership Number: 44101

UDIN: 22044101BFTTCY4803

Place of Signature: Mumbai

Date: December 20, 2022

**SURVIVAL TECHNOLOGIES LIMITED**  
(Formerly Known as Survival Technologies Private Limited)  
Annexure I - Restated Ind AS Summary of Assets and Liabilities

(Rs. in millions)

	Note No	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	2A	356.03	292.66	238.92	242.21
Right of Use Assets	2B	88.41	88.83	54.41	58.79
Capital work-in-progress	2C	42.01	86.38	70.12	70.12
Investment Property	3	46.31	46.31	43.85	43.85
Intangible Assets	4	0.23	0.24	0.39	0.64
Financial Assets					
Investments	5	17.30	15.12	10.07	9.88
Other Financial Assets	6	16.58	21.82	18.02	12.27
Deferred Tax Assets (Net)	20	13.59	12.47	-	-
Other Non-current assets	7	61.64	36.48	12.83	11.24
<b>Total Non Current Assets</b>		<b>642.10</b>	<b>600.31</b>	<b>448.61</b>	<b>449.00</b>
<b>Current Assets</b>					
Inventories	8	513.51	401.86	193.07	147.22
Financial Assets					
Investments	9	294.22	328.84	115.48	66.28
Trade Receivables	10	1,338.70	1,198.94	759.22	810.60
Cash and Cash Equivalents	11	80.27	85.68	73.06	11.60
Other Balances with Banks	12	102.88	96.00	229.72	19.07
Other Financial Assets	13	55.15	46.89	4.93	7.43
Other Current Assets	14	116.33	115.04	125.90	106.03
<b>Total Current Assets</b>		<b>2,501.06</b>	<b>2,273.25</b>	<b>1,501.38</b>	<b>1,168.23</b>
<b>Total Assets</b>		<b>3,143.16</b>	<b>2,873.56</b>	<b>1,949.99</b>	<b>1,617.23</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity Share Capital	15	57.50	57.50	57.50	57.50
Other Equity	16	2,445.33	2,195.72	1,466.71	905.45
<b>Total Equity</b>		<b>2,502.83</b>	<b>2,253.22</b>	<b>1,524.21</b>	<b>962.95</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Financial Liabilities					
Borrowings	17	-	-	-	4.44
Lease Liabilities	18	30.03	30.38	1.10	3.50
Provisions	19	11.08	12.56	12.02	9.16
Deferred Tax Liabilities (Net)	20	-	-	3.64	6.24
<b>Total Non Current Liabilities</b>		<b>41.11</b>	<b>42.94</b>	<b>16.76</b>	<b>23.34</b>
<b>Current Liabilities</b>					
Financial liabilities					
Borrowings	21	-	-	-	215.52
Lease Liabilities	23	9.72	10.21	2.39	4.45
Trade Payables	22				
Total outstanding dues of micro and small enterprises		207.38	123.32	8.41	6.80
Total outstanding dues of creditors other than micro and small enterprises		261.08	383.51	313.05	308.85
Other Financial Liabilities	24	52.44	39.42	33.88	21.78
Other Current Liabilities	25	14.43	19.29	32.23	13.10
Provisions	26	4.64	1.64	0.62	0.50
Current Tax Liabilities (Net)	27	49.53	0.01	18.44	59.94
<b>Total Current Liabilities</b>		<b>599.22</b>	<b>577.40</b>	<b>409.02</b>	<b>630.94</b>
<b>Total Liabilities</b>		<b>640.33</b>	<b>620.34</b>	<b>425.78</b>	<b>654.28</b>
<b>Total Equity and Liabilities</b>		<b>3,143.16</b>	<b>2,873.56</b>	<b>1,949.99</b>	<b>1,617.23</b>
<b>Significant accounting policies and key accounting estimates and judgements</b>	1				
The accompanying notes form an integral part of the Restated Ind AS Summary Statements	2A - 51				

As per our report of even date attached

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.  
324982E/E300003

**For LODHA & COMPANY**  
Chartered Accountants  
ICAI Firm Registration No.  
301051E

For and on behalf of Board of Directors of  
**SURVIVAL TECHNOLOGIES LIMITED**  
(Formerly Known as Survival Technologies Private Limited)

**Ravi Bansal**  
Partner  
Membership No. 049365  
Place : Mumbai  
December 20, 2022

**R.P. Baradiya**  
Partner  
Membership No. 44101  
Place : Mumbai  
December 20, 2022

**Vijaykumar Agrawal**  
Chairman and Whole time director  
DIN: 01710632  
Place : Mumbai  
December 19, 2022

**Nimai Agrawal**  
Managing Director and Chief Executive Officer  
DIN: 01501234  
Place : Dubai  
December 19, 2022

**Dinesh Bhalotia**  
Chief Financial Officer  
Place : Dubai  
December 19, 2022

**Reena Yadav**  
Company Secretary  
Membership No. A36429  
Place : Mumbai  
December 19, 2022



**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure II : Restated Ind AS Summary Statement of Profit and Loss**

(Rs. in millions)

	Note No	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Revenue from Operations	28	1,000.20	3,117.82	2,747.90	1,991.46
Other Income	29	34.86	98.91	95.65	10.49
<b>Total Income (I)</b>		<b>1,035.06</b>	<b>3,216.73</b>	<b>2,843.55</b>	<b>2,001.95</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	30	437.22	1,582.49	1,545.78	1,202.44
Purchase of Traded Goods		11.60	-	-	-
Changes in inventories of finished goods and work-in-progress	31	3.55	(79.63)	13.20	(42.26)
Employee Benefits Expense	32	60.02	234.33	169.44	146.40
Finance Costs	33	1.82	5.41	9.96	23.38
Depreciation and Amortisation Expense	2 & 4	13.51	42.07	37.12	42.16
Other Expenses	34	159.16	461.61	322.99	335.82
<b>Total Expenses (II)</b>		<b>686.88</b>	<b>2,246.28</b>	<b>2,098.49</b>	<b>1,707.94</b>
<b>Profit Before Tax (I-II)</b>		<b>348.18</b>	<b>970.45</b>	<b>745.06</b>	<b>294.00</b>
<b>Tax Expense</b>					
(1) Current Tax	35	100.51	251.03	183.80	95.19
(2) Deferred Tax	20	(1.12)	(16.15)	(1.94)	8.29
(3) Current taxes relating to earlier years		-	0.95	-	(0.01)
<b>Profit for the period/year</b>		<b>248.79</b>	<b>734.62</b>	<b>563.20</b>	<b>190.53</b>
<b>Other Comprehensive Income (OCI)</b>					
Items that will not be reclassified to profit or loss					
- Gain/(Loss) on remeasurement of defined benefit plans		1.09	0.18	(2.59)	(1.61)
- Income tax (expense) / benefit related to items that will not be reclassified to Profit and loss		(0.27)	(0.04)	0.65	0.47
<b>Total Other comprehensive income (Net of Tax)</b>		<b>0.82</b>	<b>0.14</b>	<b>(1.94)</b>	<b>(1.14)</b>
<b>Total Comprehensive Income for the Period/year</b>		<b>249.61</b>	<b>734.76</b>	<b>561.26</b>	<b>189.39</b>
<b>Earnings per Equity Share of Rs.2 Each</b>	40				
Basic (in Rs)		2.88	8.52	6.53	2.21
Diluted (in Rs)		2.88	8.52	6.53	2.21
<b>Significant accounting policies and key accounting estimates and judgements</b>					
The accompanying notes form an integral part of the Restated Ind AS Summary Statements					
	2A - 51				

As per our report of even date attached

**For S R B C & CO LLP**

Chartered Accountants  
ICAI Firm Registration No.  
324982E/E300003

**For LODHA & COMPANY**

Chartered Accountants  
ICAI Firm Registration No.  
301051E

For and on behalf of Board of Directors of  
**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**

**Ravi Bansal**  
Partner

Membership No. 049365  
Place : Mumbai  
December 20, 2022

**R.P. Baradiya**  
Partner

Membership No. 44101  
Place : Mumbai  
December 20, 2022

**Vijaykumar Agrawal**  
Chairman and Whole time director

DIN: 01710632  
Place : Mumbai  
December 19, 2022

**Nimai Agrawal**  
Managing Director and Chief Executive Officer

DIN: 01501234  
Place : Dubai  
December 19, 2022

**Dinesh Bhalotia**  
Chief Financial Officer  
Place : Dubai  
December 19, 2022

**Reena Yadav**  
Company Secretary  
Membership No. A36429  
Place : Mumbai  
December 19, 2022

**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure III: Restated Ind AS Summary Statement of Changes In Equity**

(Rs. in millions)				
A. Equity Share Capital	Quarter ended June 22	FY 2021-22	FY 2020-21	FY 2019-20
Balance as at the beginning of the period/year	57.50	57.50	57.50	57.50
Changes in equity share capital due to prior period errors	-	-	-	-
Restated Balance as at the beginning of the period/year	57.50	57.50	57.50	57.50
Changes in equity share capital during the period/year	-	-	-	-
Balance as at the end of the period/year	57.50	57.50	57.50	57.50

(Rs. in millions)				
B. Other Equity	Reserves and Surplus		OCI	Total
	General Reserve	Retained Earnings	Remeasurement of net defined benefit plan	
<b>Balance as on 1st April 2019</b>	<b>1.70</b>	<b>714.36</b>	-	<b>716.06</b>
Profit for the year	-	190.53	-	190.53
Other Comprehensive Income / (loss)	-	-	(1.14)	(1.14)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>190.53</b>	<b>(1.14)</b>	<b>189.39</b>
<b>Balance as on 31st March 2020*</b>	<b>1.70</b>	<b>904.89</b>	<b>(1.14)</b>	<b>905.45</b>
Profit for the year	-	563.20	-	563.20
Other Comprehensive Income	-	-	(1.94)	(1.94)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>563.20</b>	<b>(1.94)</b>	<b>561.26</b>
<b>Balance as on 31.03.2021</b>	<b>1.70</b>	<b>1,468.09</b>	<b>(3.08)</b>	<b>1,466.71</b>
Profit for the year	-	734.62	-	734.62
Other Comprehensive Income	-	-	0.14	0.14
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>734.62</b>	<b>0.14</b>	<b>734.76</b>
Dividends paid	-	(5.75)	-	(5.75)
<b>Balance as on 31.03.2022</b>	<b>1.70</b>	<b>2,196.96</b>	<b>(2.94)</b>	<b>2,195.72</b>
Profit for the period	-	248.79	-	248.79
Other Comprehensive Income	-	-	0.82	0.82
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>248.79</b>	<b>0.82</b>	<b>249.61</b>
<b>Balance as on 30.06.2022</b>	<b>1.70</b>	<b>2,445.75</b>	<b>(2.12)</b>	<b>2,445.33</b>

\* refer annexure VI

Significant accounting policies and key accounting estimates and judgements (Refer Note 1)

The accompanying notes form an integral part of the Restated Ind AS Summary Statements (Refer Notes 2A - 51)

As per our report of even date attached

**For S R B C & CO LLP**

Chartered Accountants  
ICAI Firm Registration No.  
324982E/E300003

**For LODHA & COMPANY**

Chartered Accountants  
ICAI Firm Registration No.  
301051E

For and on behalf of Board of Directors of  
**SURVIVAL TECHNOLOGIES LIMITED**  
(Formerly Known as Survival Technologies Private Limited)

**Ravi Bansal**  
Partner

**R.P. Baradiya**  
Partner

**Vijaykumar Agrawal**  
Chairman and Whole time director

**Nimai Agrawal**  
Managing Director and  
Chief Executive Officer

Membership No. 049365  
Place : Mumbai  
December 20, 2022

Membership No. 44101  
Place : Mumbai  
December 20, 2022

DIN: 01710632  
Place : Mumbai  
December 19, 2022

DIN: 01501234  
Place : Dubai  
December 19, 2022

**Dinesh Bhalotia**  
Chief Financial Officer  
Place : Dubai  
December 19, 2022

**Reena Yadav**  
Company Secretary  
Membership No. A36429  
Place : Mumbai  
December 19, 2022

**SURVIVAL TECHNOLOGIES LIMITED**  
(Formerly Known as Survival Technologies Private Limited)  
Annexure IV: Restated Ind AS Summary Statement of Cash flows

(Rs. in millions)

	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>A Cash flow from operating activities:</b>				
<b>Net profit before tax</b>	<b>348.18</b>	<b>970.45</b>	<b>745.06</b>	<b>294.00</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>				
Depreciation and Amortisation Expense	13.51	42.07	37.12	42.16
Net Loss / (gain) on sale of investments measured at fair value through Profit or Loss	(1.58)	(72.83)	(20.25)	12.71
Net loss / (gain) arising on Investments measured at fair value through Profit or Loss	40.32	41.06	(41.09)	17.46
Profit on Sale of property, Plant and Equipment	-	(0.02)	(0.26)	(0.73)
Loss on account of Fire	-	4.08	-	-
Dividend Income	(0.42)	(4.10)	(1.42)	(0.83)
Provision for Employee Benefits	0.21	2.89	(0.56)	(0.30)
Interest received	(1.63)	(7.13)	(2.37)	(2.11)
Provision for Expected Credit Losses	1.80	1.83	-	0.45
Bad Debts	0.03	6.08	15.03	35.83
Liabilities no longer required written back	(11.95)	-	-	-
Net unrealised foreign exchange loss/ (gain)	(2.79)	(23.75)	(15.89)	5.98
Interest expenses	1.52	5.41	9.96	23.38
<b>Operating profit before working capital changes</b>	<b>387.20</b>	<b>966.04</b>	<b>725.33</b>	<b>428.00</b>
<b>Adjustment for</b>				
Decrease/ (Increase) in other financial assets	(3.02)	(46.98)	(2.75)	(6.10)
Decrease/ (Increase) in non current assets	(0.79)	0.26	(2.11)	(7.05)
Decrease/ (Increase) in trade receivables	(122.81)	(448.95)	39.32	(122.82)
Decrease/ (Increase) in other current assets	(1.29)	11.88	(19.33)	(52.91)
Decrease/ (Increase) in Inventories	(111.65)	(208.79)	(45.85)	(80.29)
(Decrease)/ Increase in trade payables	(45.00)	180.16	5.92	(21.02)
(Decrease)/ Increase in Other financial liabilities	13.02	5.53	12.10	1.41
(Decrease)/ Increase in other current liabilities	(2.47)	(12.94)	19.13	8.52
(Decrease)/ Increase in provisions	1.14	(1.08)	(59.03)	27.65
<b>Cash generated from operations</b>	<b>114.32</b>	<b>445.13</b>	<b>672.73</b>	<b>175.39</b>
Direct taxes paid (net)	(50.00)	(270.46)	(165.35)	(95.19)
<b>Net cash generated from operating activities</b>	<b>64.32</b>	<b>174.67</b>	<b>507.38</b>	<b>80.21</b>
<b>B Cash Used in investing activities</b>				
Purchase of property, plant and equipment	(54.91)	(132.53)	(29.29)	(10.93)
Proceeds from sale of property, plant and equipment	-	-	0.35	0.24
Purchase of Investment Property	-	(2.46)	-	-
Sale / (Purchase) of Investments (Net)	(6.30)	(186.63)	11.94	(10.34)
(Increase)/ Decrease in Term Deposits (Net)	(6.88)	133.72	(210.65)	3.28
Dividend Received	0.42	4.10	1.42	0.83
Interest received	1.63	6.49	1.87	1.68
<b>Net Cash used in investing activities</b>	<b>(66.04)</b>	<b>(177.31)</b>	<b>(224.36)</b>	<b>(15.24)</b>
<b>C Cash Used in financing activities</b>				
Repayment of Long term Borrowings	-	-	(4.44)	(27.32)
(Increase)/ Decrease in Short term Borrowings	-	-	(215.52)	5.14
Principal Payment of Lease Liabilities	(2.39)	(3.87)	(4.45)	(3.94)
Interest payment of Lease Liabilities	(0.93)	(4.00)	(0.72)	-
Dividend Paid	-	(5.75)	-	-
Interest paid	(0.59)	(1.41)	(9.25)	(23.38)
<b>Net Cash used in financing activities</b>	<b>(3.91)</b>	<b>(15.03)</b>	<b>(234.37)</b>	<b>(49.50)</b>
<b>D Net (Decrease)/ Increase in cash and cash equivalent ( A+B+C)</b>	<b>(5.63)</b>	<b>(17.67)</b>	<b>48.65</b>	<b>15.47</b>
<b>Cash and Cash equivalents (Refer Note 11 for components of Cash and Cash Equivalent)</b>				
At the beginning of the period/year	85.68	73.06	11.60	1.87
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.22	30.29	12.81	(5.74)
At the end of the period/year	<b>80.27</b>	<b>85.68</b>	<b>73.06</b>	<b>11.61</b>

Significant accounting policies and key accounting estimates and judgements (Refer Note 1)

The accompanying notes form an integral part of the Restated Ind AS Summary Statements (Refer Notes 2A - 51)

As per our report of even date attached

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.  
324982E/E300003

**For LODHA & COMPANY**  
Chartered Accountants  
ICAI Firm Registration No.  
301051E

**For and on behalf of Board of Directors of**  
**SURVIVAL TECHNOLOGIES LIMITED**  
(Formerly Known as Survival Technologies Private Limited)

**Ravi Bansal**  
Partner  
Membership No. 049365  
Place : Mumbai  
December 20, 2022

**R.P. Baradiya**  
Partner  
Membership No. 44101  
Place : Mumbai  
December 20, 2022

**Vijaykumar Agrawal**  
Chairman and Whole time director  
DIN: 01710632  
Place : Mumbai  
December 19, 2022

**Nimai Agrawal**  
Managing Director and Chief Executive Officer  
DIN: 01501234  
Place : Dubai  
December 19, 2022

**Dinesh Bhalotia**  
Chief Financial Officer  
Place : Dubai  
December 19, 2022

**Reena Yadav**  
Company Secretary  
Membership No. A36429  
Place : Mumbai  
December 19, 2022

## **SURVIVAL TECHNOLOGIES LIMITED**

**(Formerly Known as Survival Technologies Private Limited)**

### **Annexure V: Significant accounting policies to the Restated Ind AS Summary Statements**

#### **Significant accounting policies and explanatory notes to Restated Financial Statements**

##### **Company Profile**

Survival Technologies Private Limited (“the Company”) is a Company incorporated on 27th June 2005 having its registered office at 1401-A, Naman Midtown, 14th Floor, Senapati Bapat Marg, Elphinstone Road, Prabhadevi West, Mumbai, Maharashtra, India. The Company is engaged in manufacturing of fine and specialty chemicals.

#### **1 SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these restated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### **1.1 Basis of Preparation**

The Restated Ind AS Summary Statements of the Company comprises of the Restated Ind AS Summary statement of Assets and Liabilities as at 30.06.2022, 31.03.2022, 31.03.2021 and 31.03.2020, the related Restated Ind AS Summary Statements of Profit and Loss (including Other Comprehensive Income), the Restated Ind AS Summary Statements of Cash Flows, the Restated Ind AS Summary Statements of Changes in Equity for the period ended 30.06.2022 and year ended 31.03.2022, 31.03.2021 and 31.03.2020 and the Summary of Significant Accounting Policies to the Restated Ind AS Summary Statements and explanatory notes (collectively, the ‘Restated Financial Information’ or ‘Restated Summary Statements’).

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus (the “DRHP”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”). The Restated Financial Information have been prepared by the Company in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the “Act”);
- b) 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) (as amended) issued by the Institute of Chartered Accountants of India (“ICAI”), (the “Guidance Note”).
- d) E-mail dated October 28, 2021, from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards (Ind AS) which has been communicated by the BRLMs to the Company pursuant to email dated 04 July, 2022 (“SEBI Letter”)

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) with effect from April 01, 2021. Accordingly, the transition date for adoption of Ind AS is April 1, 2020 for reporting under requirements of the Act.

The Company’s restated summary statements for the period ended 30 June 2022, year ended 31 March 2022, 31 March 2021 and 31 March 2020 were approved by Board of Directors on December 20, 2022

These Restated Ind AS Summary Statements have been compiled by the management of the Company from:

- a) Audited interim IND AS financial statements of the Company for the three months ended June 30, 2022 prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” 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 (referred to as “Ind AS”), which have been approved by the Board of Directors at their meeting held on December 20, 2022.
- b) Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2022 prepared in accordance with the Indian Accounting Standards 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 (referred to as “Ind AS”), which have been approved by the Board of Directors at their meeting held on September 15, 2022.
- c) Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on September 13, 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 01, 2020 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements, prepared in accordance with Ind-AS.

Upto the Financial year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Ind AS financial statements were prepared consequent to SEBI Letter. The reconciliation between Previous GAAP and Ind AS has been disclosed in Note 45.

The Special purpose Ind AS financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30, 2022 pursuant to the SEBI letter.

The statutory financials for the period ended March 31, 2021 and March 31, 2020 is prepared in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) ("Previous GAAP"). The Special purpose Ind AS financials statements are prepared for the limited purpose of complying with the SEBI letter and are not the statutory financial statements under Companies Act.

The Restated Summary Statements have been prepared on a going concern basis.

The Restated Summary Statements have been prepared on an accrual basis under the historical cost convention except for certain assets and liabilities that are measured at fair value as mentioned below.

- defined benefit plans – plan assets measured at fair value
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The Restated Summary Statements have been prepared on the historical cost basis, except for the certain assets and liabilities (refer accounting policy regarding financial instruments) and share based payments which have been measured at fair value as per Ind AS 102

The restated financial Information provide comparative information in respect of the previous period.

The accounting policies are applied consistently to all the periods presented in the restated financial Information.

The Restated Financial Information are presented in Rs. and all values are rounded to the nearest Million (Rs. 000,000) upto two decimal, except when otherwise indicated.

#### **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 1.2 Use of Estimates and Judgments

In preparing the Restated Financial Information, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

The estimates and judgments used in the preparation of the Restated Financial Information are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

## 1.3 Summary of Significant accounting policies

### (a) Property, Plant & Equipment

#### Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

On transition to Ind AS (i.e. 1 April 2020), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

#### Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

#### Depreciation and Amortisation

Depreciation on each part of an item of property, plant and equipment is provided using the WDV Method based on the useful life of the assets as prescribed in Schedule II to the Act.

The Estimated useful lives of the assets are as follows:

Asset Class	Useful Life
Office Building	60 years
Factory Building	30 years
Plant & Machinery	15 years
R&D Equipment	15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized

### (b) Investment property

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing costs capitalised for qualifying assets. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for PPE above.

### (c) Intangible Assets

#### Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Company had elected to consider the carrying value of all its intangible assets appearing in the Restated Financial Information prepared in accordance with Accounting Standards notified under the section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2020.

#### Amortisation:

Intangible Assets with finite lives are amortised on a written down value basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset Class	Useful Life
Software	6 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

#### Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized

### (d) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts.

#### Export Incentive:

Income from Export Incentives such as duty drawback and MEIS are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

#### Contract Balances

##### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade Receivable

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### ***Contract Liabilities***

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **(e) Other Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend 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 over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

### **(f) Inventories**

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and expenses necessary to make the sale.

### **(g) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **(i) Financial Assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

#### **Equity instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

##### **(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Compound financial instruments**

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

**Financial guarantee contracts**

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

**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 between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Dividend distribution to equity holders of the Company**

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(h) Fair Value Measurement**

The Company measures financial instruments at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information 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 Restated Financial Information 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.

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.'

**(i) Trade Receivables and Loans**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**(j) Foreign Currency Transactions**

The Restated Financial Information are presented in Indian Rupee, which is the Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the Statement of Profit and Loss.

**Monetary items:**

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs

**Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**(k) Income tax**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current Tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

**Deferred Tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Restated Financial Information and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company

**(l) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the Restated Financial Information unless an inflow of economic benefits is probable.

**(m) Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(n) Provision for Employee Benefits****Short Term Employee Benefit obligation:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Long Term Employee Benefit obligation:****I. Defined Contribution plans:**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. The Company has a policy to accrue only short term benefits to its directors.

**II. Gratuity Obligation**

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

### **III. Compensated absences (non-funded):**

The plan is non-funded and non-contributory defined benefit and cover the Company's liability for privilege leave. Under the compensated absences plan, leave encashment is payable to eligible employees on separation from the Company due to death, retirement, superannuation or resignation.

The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

### **(o) Lease Accounting**

#### **Assets taken on lease:**

The Company mainly has lease arrangements for land and building for offices, warehouse spaces.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straightline method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised initially at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS and subsequently measured at amortised cost.

#### **Short-term leases and leases of low-value assets:**

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

### **(p) Impairment of Non-financial Assets**

Non-financial assets other than inventories, deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**(q) Segment reporting**

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance

**(r) Dividends Payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**(s) Earnings Per Share**

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**(t) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Restated Financial Information. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(u) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(v) Use Of Critical Estimates, Judgments And Assumptions**

The preparation of the Company's Restated Financial Information requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Restated Financial Information is included in the following notes:

- a) Litigations [Refer Note 1 (1.3) (l) and Note 37]
- b) Revenue [Refer Note 1(1.3)(d)]

**(w) Rounding Of Amounts**

All amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest million, unless otherwise stated.

**(x) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**1. Ind AS 16 – Proceeds before intended use:**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

**2. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract:**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**3. Ind AS 103 – Reference to Conceptual Framework:**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements. The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 ‘Employee benefits’ over the period during which benefit is derived from the employees’ services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**4. Ind AS 109 – Annual Improvements to Ind AS (2021):**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



## SURVIVAL TECHNOLOGIES LIMITED

(Formerly Known as Survival Technologies Private Limited)

### Annexure VI : Statement of Restatement adjustment to Ind AS Financial Statements

#### Restatement adjustments on account of transition to Ind AS w.e.f 1st April 2019

There is no difference between Restated Financial Information and Audited Special Purpose Ind AS Financial Statements of the Company. Reconciliations between the Restated Financial Information and Statutory Financial Statements of the Company are as set out in the following tables and notes.

#### Part A Reconciliations between the Restated Financial Information and Statutory Financial Statements of the Company

##### 1. Reconciliation of Total Equity

Particulars	As at	As at
	31.03.2021	31.03.2020
Total Equity (as per audited financial statements)	1,481.13	973.48
Prior Period Adjustments	0.73	6.92
Adjustment on account of transition as per IND AS 101	42.35	(17.45)
Total equity as per Ind AS	<b>1,524.21</b>	<b>962.95</b>
Audit Qualifications	-	-
Other Restatement Adjustments	-	-
Total equity as per restated Ind AS summary statement of assets and liabilities	<b>1,524.21</b>	<b>962.95</b>

##### Reconciliation between audited profit and restated profit

Particulars	Year	Year
	2020-21	2019-20
Profit for the year reported earlier under previous GAAP	513.71	205.35
Prior Period Adjustments	(4.89)	12.06
Adjustment on account of transition as per IND AS 101	52.44	(28.02)
Audit Qualifications	-	-
Other Restatement Adjustments	-	-
Total Comprehensive Income under Restated Statement of Profit or Loss	<b>561.26</b>	<b>189.39</b>
- Retained Earning	<b>563.20</b>	<b>190.53</b>
- Remeasurement of net defined benefit plans	<b>(1.94)</b>	<b>(1.14)</b>

#### Part B Material re-grouping

Appropriate re-groupings have been made in the restated Ind AS Summary Statement of assets and liabilities, restated Ind AS Summary Statement of profit and loss and restated Ind AS 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 the Ind AS financial information of the Company for the period ended 30 June 2022 respectively 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 Events**

Restated Ind AS Summary statement does not contain any qualifications requiring adjustments, however, auditor's report on the Interim Financial Statements for the period ended June 30, 2022, auditor's report on the Audited Financial Statements for the year ended March 31, 2022, Audited Special Purpose Financial Statements for the year ended March 31, 2021 and March 31, 2020, includes emphasis of matter, Other matters and Auditors comments in Annexure to Auditors' Report as follows:

**As at and for the year ended June 30, 2022****Other matters:**

The comparative interim financial information for the period 1 April 2021 to 30 June 2021, included in these Interim Financial Statements, have not been subjected to any audit or review and have been presented solely based on information approved by the Management.

**Other matters - restriction of use:**

The accompanying Interim Financial Statements have been prepared, and this report thereon issued, solely for the purpose of inclusion of the examination report on restated financial summary statements in the Draft Red Herring Prospectus ("DRHP") in connection with the Company's proposed initial public offering of equity shares in Initial Public Offer. Accordingly, this report should not be used, referred to or distributed for any other purpose.

**As at and for the year ended March 31, 2022****Emphasis of Matter:**

We draw attention to note 45 to the financial statements, as regards restatements made to right of use assets of Rs 33.50 million, capital work in progress Rs (-)33.5 million, inventories Rs 17.16 million, provisions for employee benefits Rs 8.06 million, deferred tax liability Rs 2.18 million with corresponding impact on reserves as at April 01, 2020 and right of use assets of Rs 33.50 million, capital work in progress Rs (-)33.5 million, inventories Rs 11.01 million, provisions for employee benefits Rs 10.04 million, deferred tax liability Rs 0.24 million with corresponding impact on reserves March 31, 2021.

**Auditor's Comments in Annexure to Auditors' Report**

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020 ("the CARO 2020 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended 31 March 2022. Certain statements/ comments included in the CARO in the financial statements of the Company, which do not require any adjustments in the restated Ind AS summary statement are reproduced below in respect of the financial statements presented.

**As at and for the year ended March 31, 2022****Clause (ii) (b) of CARO 2020 Order**

As disclosed in note 43 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are not in agreement with the books of accounts of the Company and the details are as follows:

Area	Remarks	Jun-21	Sep-21	Dec-21	Mar-22	Reasons for difference
Trade Receivables	As per books	546.24	548.05	758.01	1,177.97	Payments adjusted in books post submission of returns/statement
Trade Receivables	As per returns	626.03	559.51	757.13	1,131.04	
Trade Payables	As per books	424.92	449.45	515.31	487.64	1)Payments adjusted in books post submission of returns/statement 2)Adjustment for advances to suppliers not done
Trade Payables	As per returns	231.40	266.96	225.72	365.89	
Sales	As per books	257.93	244.21	278.27	569.89	Entries posted/adjustments made post submission to bankers
Sales	As per returns	283.41	265.79	314.93	611.01	
Purchases	As per books	133.05	102.21	122.79	234.69	Entries posted/adjustments made post submission to bankers
Purchases	As per returns	142.03	127.41	129.45	273.47	
Stock	As per books	354.40	375.10	268.41	401.86	Entries posted/adjustments made post submission to bankers
Stock	As per returns	339.16	467.74	428.72	350.14	

**Clause (vii) (a) of CARO 2020 Order**

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

**Clause (vii) (b) of CARO 2020 Order**

The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of statute	Nature of Dues	Amount (INR Million)	Period to which it pertains	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	14.14	FY 2017-2018	CIT Appeals

**As at and for the year ended March 31, 2021****Emphasis of Matters:****Basis of Preparation and Restriction on Distribution and Use:**

We draw attention to Note 1.2 which describes the purpose and basis of preparation of the Special Purpose Ind AS Financial Statements. These Special Purpose Ind AS Financial Statements are prepared by the management of the Company and approved by the Board of Directors for the purpose of preparation of Restated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, and any addenda thereto (collectively referred to "Offer Documents") prepared by the Company in connection with its proposed initial public offering of equity shares ("IPO") as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our Opinion is not modified in respect of this matter.

The Special purpose Ind AS financial statements for the year ended March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP or Previous GAAP (Indian GAAP or Previous GAAP means accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014) values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act prepared by the Company in its response to SEBI Directives. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. This report may be submitted to any regulatory authority, and may be relied upon by other parties, including the Joint Statutory Auditors of the Company, in connection with the IPO. Our opinion is not modified in respect of this matter.

**Other Matters:**

1. The Company has prepared a separate set of Statutory Financial Statements for the year ended 31 March 2021 ("Indian GAAP Financial Statements") in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India which were audited by M/s S K Bhageria & Associates ("Previous Auditors") who issued an unmodified auditor's report dated 21 January 2022. Our opinion is not modified in respect of the above matter.

2. As informed to us by the management, the Previous Auditors have expressed their inability to perform any work on the Restated Financial Information for the years ended 31 March 2022, March 31, 2021, and March 31, 2020, due to non-availability of their team to complete the examination as per the timelines set by the Company. Accordingly, in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("Guidance Note"), and pursuant to general directions received by the Book Running Lead Managers to the IPO, from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 through Association of Investment Bankers of India (AIBI) ("SEBI Directives"), shared with us, we have been engaged by the Company to audit and examine the financial information as at and for the year ended March 31, 2021 in the capacity of peer reviewed Independent Chartered Accountants in terms of provisions of SEBI ICDR (Amendment) Regulations dated January 14, 2022 have audited the Special Purpose Ind AS Financial Statements for the year ended 31 March 2021 prepared in accordance with the basis stated in Note 1.2 to the Special Purpose Ind AS Financial Statements. Our opinion is not modified in respect of the above matter.

**As at and for the year ended March 31, 2020**

**Emphasis of Matters:**

***Basis of Preparation and Restriction on Distribution and Use:***

We draw attention to Note 1.2 which describes the purpose and basis of preparation of the Special Purpose Ind AS Financial Statements. These Special Purpose Ind AS Financial Statements are prepared by the management of the Company and approved by the Board of Directors for the purpose of preparation of Restated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, and any addenda thereto (collectively referred to "Offer Documents") prepared by the Company in connection with its proposed initial public offering of equity shares ("IPO") as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any another purpose. Our Opinion is not modified in respect of this matter.

The Special purpose Ind AS financial statements for the year ended March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP or Previous GAAP (Indian GAAP or Previous GAAP means accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014) values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act prepared by the Company in its response to SEBI Directives. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. This report may be submitted to any regulatory authority, and may be relied upon by other parties, including the Joint Statutory Auditors of the Company, in connection with the IPO. Our opinion is not modified in respect of this matter.

**Other Matters:**

1. The Company has prepared a separate set of Statutory Financial Statements for the year ended 31 March 2020 ("Indian GAAP Financial Statements") in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India which were audited by M/s S K Bhageria & Associates ("Previous Auditors") who issued an unmodified auditor's report dated 18 December 2020. Our opinion is not modified in respect of the above matter.

2. As informed to us by the management, the Previous Auditors have expressed their inability to perform any work on the Restated Financial Information for the years ended 31 March 2022, March 31, 2021, and March 31, 2020, due to non-availability of their team to complete the examination as per the timelines set by the Company. Accordingly, in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("Guidance Note"), and pursuant to general directions received by the Book Running Lead Managers to the IPO, from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 through Association of Investment Bankers of India (AIBI) ("SEBI Directives"), shared with us, we have audited the Special Purpose Ind AS Financial Statements for the year ended 31 March 2020 prepared in accordance with the basis stated in Note 1.2 to the Special Purpose Ind AS Financial Statements. Our opinion is not modified in respect of the above matter.

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**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**2A Property, Plant and Equipment**

(Rs. in millions)

Description of Assets	Freehold Land	Buildings	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
<b>Gross Carrying Amount (Deemed Cost)</b>									
<b>Balance as at 1st April, 2019</b>	-	147.54	106.92	-	8.17	10.37	0.20	0.75	273.95
Additions during the year	-	-	3.05	-	0.59	1.52	0.35	0.39	5.90
Disposals during the year	-	-	0.19	-	-	0.05	-	-	0.24
Transition on account of IND AS*	-	11.07	20.03	-	2.22	3.30	0.18	0.60	37.40
<b>Balance as at 31<sup>st</sup> March, 2020</b>	-	<b>136.47</b>	<b>89.75</b>	-	<b>6.54</b>	<b>8.54</b>	<b>0.37</b>	<b>0.54</b>	<b>242.21</b>
Additions during the year	-	11.81	2.90	-	-	11.57	2.50	0.77	29.55
Disposals during the year	-	-	-	-	-	0.35	-	-	0.35
<b>Balance as at 31<sup>st</sup> March, 2021</b>	-	<b>148.28</b>	<b>92.65</b>	-	<b>6.54</b>	<b>19.76</b>	<b>2.87</b>	<b>1.31</b>	<b>271.41</b>
Additions during the year	20.00	34.65	4.42	2.08	21.49	-	10.10	0.47	93.21
Disposals during the year	-	-	4.97	-	-	-	-	-	4.97
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>20.00</b>	<b>182.93</b>	<b>92.10</b>	<b>2.08</b>	<b>28.03</b>	<b>19.76</b>	<b>12.97</b>	<b>1.78</b>	<b>359.65</b>
Additions during the period	9.67	19.60	-	39.80	3.59	-	1.37	0.87	74.90
Disposals during the period	-	-	-	-	-	-	-	-	-
<b>Balance as at 30<sup>th</sup> June, 2022</b>	<b>29.67</b>	<b>202.53</b>	<b>92.10</b>	<b>41.88</b>	<b>31.62</b>	<b>19.76</b>	<b>14.34</b>	<b>2.65</b>	<b>434.55</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April, 2019</b>	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	11.07	20.03	-	2.22	3.30	0.18	0.60	37.40
Eliminated on disposal of asset	-	-	-	-	-	-	-	-	-
Transition on account of IND AS*	-	11.07	20.03	-	2.22	3.30	0.18	0.60	37.40
<b>Balance as at 31st March, 2020</b>	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	10.35	16.89	-	1.74	2.81	0.25	0.45	32.49
Eliminated on disposal of asset	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	-	<b>10.35</b>	<b>16.89</b>	-	<b>1.74</b>	<b>2.81</b>	<b>0.25</b>	<b>0.45</b>	<b>32.49</b>
Depreciation expense for the year	-	11.97	13.37	0.04	1.99	5.27	2.10	0.65	35.39
Eliminated on disposal of asset	-	-	0.89	-	-	-	-	-	0.89
<b>Balance as at 31<sup>st</sup> March, 2022</b>	-	<b>22.32</b>	<b>29.37</b>	<b>0.04</b>	<b>3.73</b>	<b>8.08</b>	<b>2.35</b>	<b>1.10</b>	<b>66.99</b>
Depreciation expense for the period	-	3.21	2.86	1.21	1.87	0.91	1.28	0.19	11.53
Eliminated on disposal of asset	-	-	-	-	-	-	-	-	-
<b>Balance as at 30<sup>th</sup> June, 2022</b>	-	<b>25.53</b>	<b>32.23</b>	<b>1.25</b>	<b>5.60</b>	<b>8.99</b>	<b>3.63</b>	<b>1.29</b>	<b>78.52</b>
<b>Net Carrying amount</b>									
Balance as at 1st April, 2019	-	147.54	106.92	-	8.17	10.37	0.20	0.75	273.95
Balance as at 31 <sup>st</sup> March, 2020	-	136.47	89.75	-	6.54	8.54	0.37	0.54	242.21
Balance as at 31 <sup>st</sup> March, 2021	-	137.93	75.76	-	4.80	16.96	2.62	0.86	238.92
Balance as at 31 <sup>st</sup> March, 2022	20.00	160.61	62.73	2.04	24.30	11.68	10.62	0.68	292.66
<b>Balance as at 30<sup>th</sup> June, 2022</b>	<b>29.67</b>	<b>177.00</b>	<b>59.87</b>	<b>40.63</b>	<b>26.02</b>	<b>10.77</b>	<b>10.71</b>	<b>1.36</b>	<b>356.03</b>

\* Refer note 2D

Note:

1. Refer Note No.17 and 21 for the details of Property, Plant and Equipment mortgaged as security for borrowings.

**2A(i) Details of Title Deeds of immovable Property not held in the name of the Company**

The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.

**2B Right of Use Assets**

(Rs. in millions)

	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Opening Balance</b>	88.83	54.41	58.79	63.13
Additions	1.55	40.95	-	-
Deletions	-	-	-	-
Amortisation	1.97	6.53	4.38	4.34
<b>Closing Balance</b>	<b>88.41</b>	<b>88.83</b>	<b>54.41</b>	<b>58.79</b>

Note: Refer note no 36 for detailed disclosures

(Rs. in millions)

**2C**

Capital work-in-progress	Buildings	Total	Amount in CWIP for a Period of				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
<b>Balance as at 31.03.2020</b>	70.12	70.12	5.75	19.06	0.69	44.62	70.12
<b>Balance as at 31.03.2021</b>	70.12	70.12	0.11	5.64	19.06	45.31	70.12
<b>Balance as at 31.03.2022</b>	86.38	86.38	16.46	0.11	5.64	64.17	86.38
<b>Balance as at 30.06.2022</b>	<b>42.01</b>	<b>42.01</b>	-	-	2.37	39.64	42.01

Note: No Project is temporarily suspended or has exceeded the budget. Transfer of Rs. 44.37 millions from CWIP during the quarter ended 30th June 2022 and Addition of Rs. 16.26 millions in CWIP during the year ended 31st March 2022, Nil for the year ended 31st March 2021 and 31st March 2020.

**2D** The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of its property, plant and equipment and Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition to Ind AS i.e. 01.04.2020 as per the following details:

(Rs. in millions)

Description of Assets	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Software	Total
<b>As at 1<sup>st</sup> April, 2020</b>										
Gross Block (at cost)	43.85	3.00	211.56	213.08	28.04	22.08	1.81	10.26	7.14	540.82
Accumulated depreciation	-	-	(63.55)	(123.33)	(21.50)	(13.54)	(1.44)	(9.72)	(6.50)	(239.58)
Reclassification / Other adjustments	-	15.04	(11.54)	-	-	-	-	-	-	3.50
<b>Net Block as per previous GAAP/ Deemed cost as per Ind AS</b>	<b>43.85</b>	<b>18.04</b>	<b>136.47</b>	<b>89.75</b>	<b>6.54</b>	<b>8.54</b>	<b>0.37</b>	<b>0.54</b>	<b>0.64</b>	<b>304.74</b>
Transfer to Property, Plant and Equipment (On account of Ind AS transition)	-	(18.04)	-	-	-	-	-	-	-	(18.04)
Transfer to Investment Property (On account of Ind AS transition)	(43.85)	-	-	-	-	-	-	-	-	(43.85)
<b>Gross Block as per Ind AS</b>	<b>-</b>	<b>-</b>	<b>136.47</b>	<b>89.75</b>	<b>6.54</b>	<b>8.54</b>	<b>0.37</b>	<b>0.54</b>	<b>0.64</b>	<b>242.85</b>

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**3 Investment Property**

(Rs. in millions)

	Freehold Land	Total
<b>Gross Carrying Amount (Deemed Cost)</b>		
<b>Balance as at 01.04.2019</b>	43.85	43.85
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at 31.03.2020</b>	43.85	43.85
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at 31.03.2021</b>	43.85	43.85
Additions during the year	2.46	2.46
Deductions during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>46.31</b>	<b>46.31</b>
Additions during the period	-	-
Deductions during the period	-	-
<b>Balance as at 30.06.2022</b>	<b>46.31</b>	<b>46.31</b>

\* Refer note 2D

(Rs. in millions)

Details with respect to fair valuation of Investment property:	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Fair valuation by:</b>				
(i) Independent registered valuers	-	-	-	-
(ii) Independent unregistered valuers	-	-	-	-
(iii) Internal assessment by Management	106.04	106.04	93.98	89.29
<b>Total fair value</b>	<b>106.04</b>	<b>106.04</b>	<b>93.98</b>	<b>89.29</b>

Note: Above valuation is based on government rates, market research, market trend and comparable values as considered appropriate by the management.

## 4 Intangible Assets

(Rs. in millions)

	Software	Total
<b>Gross Carrying Amount (Deemed Cost)</b>		
<b>Balance as at 01.04.2019</b>	0.64	0.64
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at 31.03.2020</b>	0.64	0.64
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at 31.03.2021</b>	0.64	0.64
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>0.64</b>	<b>0.64</b>
Additions during the period	-	-
Deductions during the period	-	-
<b>Balance as at 30.06.2022</b>	<b>0.64</b>	<b>0.64</b>
<b>Accumulated Amortisation</b>		
<b>Balance as at 01.04.2019</b>	-	-
Amortisation expense for the year	-	-
Deductions for the year	-	-
<b>Balance as at 31.03.2020</b>	-	-
Amortisation expense for the year	0.25	0.25
Deductions for the year	-	-
<b>Balance as at 31.03.2021</b>	0.25	0.25
Amortisation expense for the year	0.15	0.15
Deductions for the year	-	-
<b>Balance as at 31.03.2022</b>	<b>0.40</b>	<b>0.40</b>
Amortisation expense for the period	0.01	0.01
Deductions for the period	-	-
<b>Balance as at 30.06.2022</b>	<b>0.41</b>	<b>0.41</b>
<b>Net Carrying amount</b>		
Balance as at 01.04.2019	0.64	0.64
Balance as at 31.03.2020	0.64	0.64
Balance as at 31.03.2021	0.39	0.39
Balance as at 31.03.2022	0.24	0.24
<b>Balance as at 30.06.2022</b>	<b>0.23</b>	<b>0.23</b>

\* Refer note 2D

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<b>5 Investments</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Investment (Quoted) (Fully paid up)</b>				
<b>(At Amortised Cost)</b>				
Investment in Debt Instruments or Bonds	17.30	15.12	10.07	9.88
<b>Total</b>	<b>17.30</b>	<b>15.12</b>	<b>10.07</b>	<b>9.88</b>

<b>6 Other Financial Assets</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>(At Amortised Cost)</b>				
Term Deposits more than 12 Months maturity*	0.01	0.01	0.01	0.01
Security & Business Deposits	16.57	21.81	18.01	12.26
<b>Total</b>	<b>16.58</b>	<b>21.82</b>	<b>18.02</b>	<b>12.27</b>

\*On lien against margin money, against bank guarantee includes for 30.06.2022 of Rs. 0.01 million, 31.03.2022 of Rs 0.01 million, for 31.03.2021 of Rs 0.01 million and for 31.03.2020 Rs 0.01 million

<b>7 Other Non-current assets</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Others</b>				
Capital Advances	56.81	32.44	9.36	9.36
Balances with Government Authorities	2.60	2.60	2.87	0.75
Prepaid Expenses	2.23	1.44	0.60	1.13
<b>Total</b>	<b>61.64</b>	<b>36.48</b>	<b>12.83</b>	<b>11.24</b>

<b>8 Inventories</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Lower of Cost or Net realisable value</b>				
Raw Materials	380.16	256.32	135.80	76.75
Raw Materials in Transit	-	8.64	-	-
Work-in-Progress	50.35	45.44	9.27	19.54
Finished Goods	83.00	91.46	48.00	50.93
<b>Total</b>	<b>513.51</b>	<b>401.86</b>	<b>193.07</b>	<b>147.22</b>

**Notes**

a. Refer Note No.21 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.

b. Inventories written down are accounted, considering the nature of inventory, ageing and net realisable value. Write-down of inventories amounting to Rs. 89.44 millions as at 30.06.2022, Rs. 87.37 millions as at 31.03.2022, Rs. 199.23 millions as at 31.03.2021 and Rs.190.02 millions as at 31.03.2020 has been recognised as an expense under Raw Material Consumption and Changes in inventories of finished goods and work-in progress in statement of Profit and Loss.

<b>9 Investments</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Investment in Quoted Equity Shares (Fully paid up)</b>				
<b>(At fair value through Profit &amp; Loss)</b>				
Investment in Quoted Equity Shares	294.22	328.84	115.48	66.28
<b>Total</b>	<b>294.22</b>	<b>328.84</b>	<b>115.48</b>	<b>66.28</b>

<b>10 Trade Receivables</b> <span style="float: right;"><i>(Rs. in millions)</i></span>				
Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Unsecured:</b>				
Considered good	1,346.40	1,204.84	763.29	814.67
Considered doubtful	-	-	-	-
	<b>1,346.40</b>	<b>1,204.84</b>	<b>763.29</b>	<b>814.67</b>
Less: Allowance for Expected Credit Loss	(7.70)	(5.90)	(4.07)	(4.07)
<b>Total</b>	<b>1,338.70</b>	<b>1,198.94</b>	<b>759.22</b>	<b>810.60</b>

Refer Note No. 43 for Ageing of Trade Receivables

Refer Note No. 38 for Trade Receivables from Related Parties

Credit Period to Customers varies from 30 to 120 days

There are no unbilled receivables as on 30.06.2022, 31.03.2022, 31.03.2021 and 31.03.2020.



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**11 Cash and Cash Equivalents** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Cash and Cash Equivalents</b>				
Cash on hand	0.26	0.41	0.29	0.27
<b>Balances with Banks</b>				
In Current Accounts	69.03	61.30	35.86	10.15
In Cash Credit Accounts	10.98	23.03	36.01	-
In Term Deposits with Original maturity less than 3 months	-	0.94	0.90	1.18
<b>Total</b>	<b>80.27</b>	<b>85.68</b>	<b>73.06</b>	<b>11.60</b>

**12 Other Balances with Banks** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Balances with Banks</b>				
Term Deposits with Original maturity more than 3 months but less than 12 months	102.88	96.00	229.72	19.07
<b>Total</b>	<b>102.88</b>	<b>96.00</b>	<b>229.72</b>	<b>19.07</b>

On lien against margin money, against bank guarantee includes for 30.6.2022 of Rs 22.82 millions and for 31.03.2022 of Rs 23.13 millions, 31.03.2021 of Rs 22.66 millions and for 31.03.2020 Rs 19.07 millions.

**13 Other Financial Assets** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>(At Amortised Cost)</b>				
Export Benefits Receivables	18.97	11.79	0.92	0.44
Security & Business Deposits	6.77	1.13	1.55	1.85
Term deposits with original maturity more than 12 months	0.45	2.75	2.23	5.14
Other Receivables	28.96	31.22	0.23	0.00
<b>Total</b>	<b>55.15</b>	<b>46.89</b>	<b>4.93</b>	<b>7.43</b>

\*on lien against margin money, against bank guarantee and other commitments includes for 30.6.2022 of Rs 0.45 millions, for 31.03.2022 of Rs 2.75 millions, for 31.3.2021 of Rs 2.23 millions and for 31.3.2020 Rs 5.14 millions.

**14 Other Current Assets** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Balances with Government Authorities	83.95	66.99	50.24	35.91
Prepaid Expenses	3.35	3.28	3.61	2.05
Advances to Employees	4.19	2.19	6.20	6.48
Advances to Suppliers	24.28	42.34	64.99	61.59
Others	0.56	0.24	0.86	-
<b>Total</b>	<b>116.33</b>	<b>115.04</b>	<b>125.90</b>	<b>106.03</b>

**17 Borrowings (Non-Current)** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Secured Term Loan:</b>				
From Bank	-	-	-	31.39
Less: Current maturities of Long term Debt	-	-	-	26.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.44</b>

**Note:**

Secured Term loans of Nil as at 30.06.2022, Nil as at 31.03.2022, Nil as at 31.03.2021 and Rs. 31.39 millions as on 31.03.2020 from banks is secured by first pari passu charge created by mortgage of Property, Plant & Equipment of the Company.

**Details of Securities and Terms of repayment**

- Secured Term loan (other than motor vehicle) of Rs. 25 Millions as on 31.03.2020 from bank is secured by first pari passu charge created by mortgage of Property, Plant & Equipment of the Company.
- Motor Vehicle loan of Rs. 6.39 Millions as at 31.03.2020 from bank is secured against motor vehicle with interest rate @8.20% pa.

**18 Lease Liabilities** (Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Lease Liabilities	30.03	30.38	1.10	3.50
<b>Total</b>	<b>30.03</b>	<b>30.38</b>	<b>1.10</b>	<b>3.50</b>

Note: Refer note no 36 for detailed disclosures

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**19 Provisions**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	8.88	9.62	8.74	6.64
Provision for Compensated Absences	2.20	2.94	3.28	2.52
<b>Total</b>	<b>11.08</b>	<b>12.56</b>	<b>12.02</b>	<b>9.16</b>

Note: Refer note no 42 for detailed disclosures

**20 Deferred tax Liabilities / (Assets)**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Deferred tax Liabilities / (Assets) in relation to:</b>				
Difference between written down value/capital work in progress of Property, Plant & Equipment as per the books of accounts and Income Tax Act, 1961	(3.99)	(3.73)	11.47	3.60
Difference between Inventory Value as per the books of accounts and Income Tax Act, 1961	-	-	2.77	5.00
Lease liability amortisation	(0.62)	(0.72)	(0.10)	(0.20)
Provision for Expected Credit losses on Trade Receivables	(1.94)	(1.49)	(1.19)	(1.19)
Provision for Gratuity	(2.58)	(2.69)	(2.30)	(2.03)
Provision for Compensated Absences	(0.65)	(0.80)	(0.88)	(0.78)
Differences in carrying value and Tax base of investments measured at FVTPL	(3.81)	(3.04)	(6.13)	1.84
<b>Total</b>	<b>(13.59)</b>	<b>(12.47)</b>	<b>3.64</b>	<b>6.24</b>

**21 Borrowings (Current)**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>				
Working Capital Borrowings from Bank	-	-	-	188.57
<b>Current maturities of Long-term debts / borrowings</b>				
<b>Term Loans</b>				
Secured				
From Banks (Refer Note No 17)	-	-	-	26.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215.52</b>

Working Capital Borrowings are secured by hypothecation of all existing and future receivables, current assets, movable assets and movable Property, Plant and Equipment. The same are further secured by mortgage of immovable assets of the Company.

**22 Trade Payables**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	207.38	123.32	8.41	6.80
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	261.08	383.51	313.05	308.85
<b>Total</b>	<b>468.46</b>	<b>506.83</b>	<b>321.46</b>	<b>315.65</b>

Credit Period given by supplier varies from 30 to 120 days

Refer Note No. 38 for Trade Payables to Related Parties

Disclosure relating to suppliers registered under MSMED Act is based on the information available with the Company. This has been relied upon by the auditors.

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises (MSME). On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006 except as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statement as at 30.06.2022, 31.03.2022, 31.03.2021, 31.03.2020 based on the information received and available with the Company.

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year:				
Principal	207.38	123.32	8.41	6.80
Interest	-	-	-	-
<b>Total</b>	<b>207.38</b>	<b>123.32</b>	<b>8.41</b>	<b>6.80</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-

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(Rs. in millions)

Ageing schedule for MSME Creditors as at	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
MSME Disputed Dues	-	-	-	-
MSME Undisputed Dues				
Not Due	10.13	1.76	4.42	2.25
Less than 1 year	155.65	117.25	3.79	4.35
1-2 Years	37.53	0.26	0.16	0.10
2-3 Years	1.09	0.93	0.00	0.06
More than 3 years	2.98	3.12	0.04	0.04
<b>Total</b>	<b>207.38</b>	<b>123.32</b>	<b>8.41</b>	<b>6.80</b>

(Rs. in millions)

Ageing schedule for other than MSME Creditors as at	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Disputed Dues	-	-	-	-
Others Undisputed Dues				
Not due	2.61	27.21	28.50	69.26
Less than 1 year	225.98	324.42	243.81	211.05
1-2 Years	3.08	5.61	15.89	11.42
2-3 Years	8.83	8.39	9.92	3.76
More than 3 years	20.58	17.88	14.93	13.36
<b>Total</b>	<b>261.08</b>	<b>383.51</b>	<b>313.05</b>	<b>308.85</b>

**23 Lease Liabilities**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Lease Liabilities	9.72	10.21	2.39	4.45
<b>Total</b>	<b>9.72</b>	<b>10.21</b>	<b>2.39</b>	<b>4.45</b>

Note: Refer note no 36 for detailed disclosures

**24 Other Financial Liabilities**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(At Amortised Cost)				
Payable to Employees*	31.12	28.48	13.84	11.20
Payable towards other expenses	21.32	10.94	20.04	10.58
<b>Total</b>	<b>52.44</b>	<b>39.42</b>	<b>33.88</b>	<b>21.78</b>

\*Refer Note No. 38 for Payables to Related Parties

**25 Other Current Liabilities**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Other Advances</b>				
Advance from Customers	4.63	7.02	11.45	8.28
<b>Others</b>				
Statutory Liabilities	9.80	12.27	20.78	4.82
<b>Total</b>	<b>14.43</b>	<b>19.29</b>	<b>32.23</b>	<b>13.10</b>

Advances from Customers are Contract Liability in accordance with Ind AS 115- Revenue from Contracts with Customers.

**26 Provisions**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	1.36	1.08	0.41	0.33
Provision for Compensated Absences	0.40	0.25	0.21	0.17
Provision for Corporate Social Responsibility	2.88	0.31	-	-
<b>Total</b>	<b>4.64</b>	<b>1.64</b>	<b>0.62</b>	<b>0.50</b>

Note: Refer note no 42 for detailed disclosures

**27 Current Tax Liabilities (Net)**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Tax Payable	49.53	0.01	18.44	59.94
(Net of Taxes Paid & TDS Rs.301.29 millions as at 30.06.2022, Rs. 250.98 millions as at 31.03.2022, Rs. 183.38 millions as at 31.03.2021 and Rs. 95.19 millions as at 31.03.2020)				
<b>Total</b>	<b>49.53</b>	<b>0.01</b>	<b>18.44</b>	<b>59.94</b>

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**28 Revenue from Operations** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>(i) Revenue from Contracts with Customers recognised at a point in time</b>				
Domestic Market	639.36	2,082.45	1,852.57	1,374.64
Export Market	350.63	965.98	872.23	597.01
	<b>989.99</b>	<b>3,048.43</b>	<b>2,724.80</b>	<b>1,971.65</b>
<b>(ii) Other Operating Revenues</b>				
Export Incentives	10.21	69.39	23.10	19.81
<b>Total</b>	<b>1,000.20</b>	<b>3,117.82</b>	<b>2,747.90</b>	<b>1,991.46</b>

**29 Other Income** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>Interest Income from financial assets at amortised cost</b>				
On bank deposits	1.27	6.44	0.87	0.45
Other Interest	0.36	0.69	1.49	1.66
Dividend Income	0.42	4.10	1.42	0.83
<b>Other non-operating Income</b>				
Net Gain arising on Investments measured at fair value through profit and loss	-	-	41.09	-
Liabilities no longer required written back	11.95	-	-	-
Miscellaneous income	2.12	0.53	12.49	0.60
<b>Other gains and losses</b>				
Net Gain on foreign currency transactions & translation	17.16	14.30	17.78	6.22
Net gain on sale of Investments measured at fair value through profit and loss	1.58	72.83	20.25	-
Net Profit on Sale of Property, Plant & Equipment	-	0.02	0.26	0.73
<b>Total</b>	<b>34.86</b>	<b>98.91</b>	<b>95.65</b>	<b>10.49</b>

**30 Cost of Materials Consumed** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>Raw materials</b>				
Opening stock	264.96	135.80	76.75	38.72
Add : Purchases of Raw Materials	552.42	1,711.65	1,604.83	1,240.47
Less: Closing stock	380.16	264.96	135.80	76.75
<b>TOTAL</b>	<b>437.22</b>	<b>1,582.49</b>	<b>1,545.78</b>	<b>1,202.44</b>

**31 Changes in inventories of finished goods and work-in-progress** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>Inventories at the beginning of the period</b>				
Finished Goods	91.46	48.00	50.93	21.61
Work in Progress	45.44	9.27	19.54	6.60
<b>(a)</b>	<b>136.90</b>	<b>57.27</b>	<b>70.47</b>	<b>28.21</b>
<b>Inventories at the end of the period</b>				
Finished goods	83.00	91.46	48.00	50.93
Work in Progress	50.35	45.44	9.27	19.54
<b>(b)</b>	<b>133.35</b>	<b>136.90</b>	<b>57.27</b>	<b>70.47</b>
<b>Net (Increase)/Decrease in Inventories</b> <span style="float: right;"><b>(a) - (b)</b></span>	<b>3.55</b>	<b>(79.63)</b>	<b>13.20</b>	<b>(42.26)</b>

**32 Employee Benefits Expense** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Salaries, wages and benefits	57.09	226.15	164.38	139.22
Contribution to provident and other funds*	1.80	4.78	2.67	3.81
Staff welfare expenses	1.13	3.40	2.39	3.37
<b>Total</b>	<b>60.02</b>	<b>234.33</b>	<b>169.44</b>	<b>146.40</b>

\*Includes Gratuity Expenses. Refer Note 42.

**33 Finance Costs** (Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Interest Expense towards:				
- Working Capital Borrowings	0.02	0.00	3.82	9.38
- Term Loans from Banks	-	-	0.36	5.09
- Lease Liabilities	0.93	4.00	0.72	1.07
- Other Interest	0.57	0.73	2.38	2.04
Other Borrowing Costs	0.30	0.68	2.68	5.80
<b>Total</b>	<b>1.82</b>	<b>5.41</b>	<b>9.96</b>	<b>23.38</b>

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**2 & 4 Depreciation and Amortisation Expense**

(Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Depreciation on Property, Plant and Equipment (refer note 2A)	11.53	35.39	32.49	37.41
Amortisation of Right-of-Use assets (refer note 2B)	1.97	6.53	4.38	4.34
Amortisation of Intangible Assets (refer note 4)	0.01	0.15	0.25	0.41
<b>Total</b>	<b>13.51</b>	<b>42.07</b>	<b>37.12</b>	<b>42.16</b>

**34 Other Expenses**

(Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Consumption of stores, spares and consumables	2.61	11.57	38.94	18.85
Power and Fuel	5.50	12.92	22.75	26.79
Processing Charges	10.19	68.02	17.18	23.86
Pollution Control Expenses	0.46	1.48	7.15	11.08
Freight and handling Charges	23.45	72.19	44.36	24.33
Brokerage and Commission	23.48	105.45	75.19	11.68
Advertisement and Sales Promotion Expenses	2.71	9.79	1.64	4.48
Legal and Professional Expenses	8.67	19.59	17.02	43.16
Travelling & Conveyance	7.33	10.03	8.70	19.95
Rent Expenses	1.26	11.29	9.69	8.26
<b>Repairs &amp; Maintenance</b>				
- Machinery	5.35	19.22	12.25	13.40
- Building	1.63	-	0.90	4.75
- Others	0.31	2.69	0.97	0.87
Rates, Fees and Taxes	0.59	0.19	13.66	9.89
Bank Charges	0.08	0.44	0.49	1.38
Testing and Sampling Charges	0.07	0.47	2.13	0.69
Loss on account of Fire	-	4.08	-	-
Insurance	0.65	3.64	4.09	4.56
Corporate Social Responsibility Expenses including other Donations*	8.89	16.36	8.73	3.53
<i>Payment to Auditors</i>				
- Statutory Audit Fees	1.13	4.70	1.50	1.50
- In other Capacity	-	-	-	-
For Tax Audit	-	0.20	0.20	0.20
For other matters	3.38	-	0.03	-
Out of pocket expenses	0.05	-	-	-
Bad Debts	0.03	6.08	15.03	35.83
Provision for Expected Credit Losses (refer note 43)	1.80	1.83	-	0.45
Net Loss arising on Investments measured at fair value through profit or loss	40.32	41.06	-	17.46
Net Loss on sale of Investments measured at fair value through profit or loss	-	-	-	12.71
Miscellaneous Expenses	9.22	38.32	20.39	36.18
<b>Total</b>	<b>159.16</b>	<b>461.61</b>	<b>322.99</b>	<b>335.82</b>

(Rs. in millions)

*Note : Corporate Social Responsibility Expenses	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
A Gross Amount Required to be spent by the Company :	3.28	8.18	4.34	3.31
B Amount spent during the period on:				
i Construction / Acquisition of an assets	-	-	-	-
ii Purpose other than above	3.28	9.87	2.34	1.87
C Shortfall at the end of period	2.88	0.31	2.00	1.44
D Total of Previous year shortfall	0.31	2.00	1.44	-
E Reason for Shortfall*				
F Particulars	-	-	-	-
Related party transactions in relation to Corporate Social Responsibility:				
G Provision movement during the period:				
Opening provision	0.31	-	-	-
Addition during the period	3.28	10.18	-	-
Utilised during the period	0.71	9.87	-	-
Closing provision	2.88	0.31	-	-

\*Note- The Company is in the process of identifying the activities.

Amount approved by board to be spend during the period ended June 30, 2022 is Rs. 3.33 million and March 31, 2022 is Rs. 13.25 Millions.

**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**Note 5.1 Investments**

*(Rs. in millions)*

Script Name	Face Value	As at 30.06.2022		As at 31.03.2022		As on 31.03.2021		As on 31.03.2020	
		Units	Amount	Units	Amount	Units	Amount	Units	Amount
<b>Investment in Debt Instruments or Bonds</b>									
<b>(At Amortised Cost)</b>									
8.46% Rural Electrification Corporation (REC) Tax Free Bond	1,000	6,663	8.21	6,663	8.21	3,663	4.54	3,663	4.54
8.30% National Highways Authority of India Tax Free Bond	1,000	5,800	6.91	5,800	6.91	4,401	5.08	4,500	5.18
Nippon India ETF Liquid BEES	1,000	2,273	2.18	-	-	36	0.03	160	0.16
Kotak Gold Exchange Traded Fund	1	-	-	-	-	1,000	0.42	-	-
<b>Sub total</b>		<b>14,736</b>	<b>17.30</b>	<b>12,463</b>	<b>15.12</b>	<b>9,100</b>	<b>10.07</b>	<b>8,323</b>	<b>9.88</b>
<b>Total Non Current Investment</b>		<b>14,736</b>	<b>17.30</b>	<b>12,463</b>	<b>15.12</b>	<b>9,100</b>	<b>10.07</b>	<b>8,323</b>	<b>9.88</b>
<b>Aggregate book value of:</b>									
Quoted Investments - Debt			<b>17.30</b>		<b>15.12</b>		<b>10.07</b>		<b>9.88</b>
<b>Aggregate FMV of:</b>									
Quoted Investments - Debt			<b>17.37</b>		<b>15.72</b>		<b>10.25</b>		<b>9.88</b>
<b>Aggregate amount of impairment in value of Investments</b>			<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>

**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**Note 9.1 Investments**

(Rs. in millions)

Script Name	Face Value	As at 30.06.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
		Units	Amount	Units	Amount	Units	Amount	Units	Amount
<b>Investment in Quoted Equity Shares, Fully Paid Up</b>									
<b>(At fair value through Profit &amp; Loss)</b>									
Reliance Industries Limited	10	500	1.30	500	1.32	1,000	2.00	200	0.22
CRISIL Limited	1	250	0.82	350	1.15	800	1.47	900	1.13
Sterling and Wilson Renewable Energy Limited	1	4,500	1.34	4,500	1.43	-	-	-	-
Affle (India) Limited	2	350	0.37	350	0.44	-	-	-	-
Zydrus Lifesciences Limited	1	29,500	10.53	29,500	10.20	-	-	-	-
Tejas Networks Limited	10	1,500	0.68	1,500	0.64	-	-	-	-
L&T Technology Services Limited	2	440	1.33	450	2.30	500	1.33	500	0.58
Indian Energy Exchange Limited	1	3,000	0.48	3,000	0.67	-	-	-	-
Bank of Baroda	2	27,000	2.63	27,000	3.01	-	-	-	-
Bharat Petroleum Corporation Limited	10	2,300	0.71	2,300	0.83	-	-	-	-
Reliance Infrastructure Limited	10	65,000	5.89	65,000	7.30	-	-	-	-
Chemcon Speciality Chemicals Limited	10	5,000	1.45	5,000	1.33	-	-	-	-
HDFC Bank Limited	1	500	0.67	500	0.74	600	0.90	1,902	1.64
Sun Pharmaceutical Industries Limited	1	1,500	1.25	1,500	1.37	1,000	0.60	500	0.18
Navin Fluorine International Limited	2	200	0.73	200	0.82	-	-	200	0.24
Cipla Limited	2	500	0.46	500	0.51	-	-	-	-
Timex Group India Limited	1	10,000	0.71	10,000	0.67	10,000	0.27	10,000	0.17
Hindustan Aeronautics Limited	10	350	0.62	350	0.52	500	0.50	-	-
Gland Pharma Limited	1	2,675	7.25	2,675	8.75	200	0.50	-	-
Indiabulls Real Estate Limited	2	5,000	0.31	5,000	0.51	-	-	-	-
Bank of India	10	30,000	1.33	30,000	1.38	-	-	-	-
Shree Renuka Sugars Limited	1	20,000	0.93	20,000	0.71	-	-	-	-
Dr. Reddy's Laboratories Limited	5	1,200	5.29	1,200	5.15	-	-	-	-
Oberoi Realty Limited	10	2,500	1.84	2,500	2.35	3,800	2.19	4,000	1.34
Hemisphere Properties India Limited	10	2,000	0.21	2,000	0.23	1,000	0.14	-	-
Meyer Apparel Limited	3	1,00,000	0.16	1,00,000	0.16	1,00,000	0.06	1,00,000	0.08
Granules India Limited	1	22,001	5.99	22,001	6.74	2,000	0.61	-	-
Gujarat Narmada Valley Fertilizers and Chemicals Limited	10	13,000	7.43	13,000	10.97	-	-	-	-
BSE Limited	2	2,500	1.49	2,700	2.55	-	-	-	-
HDFC Asset Management Company Limited	5	150	0.27	150	0.32	150	0.44	550	1.16
National Aluminium Company Limited	5	49,001	3.37	49,001	5.97	-	-	-	-
Orient Electric Limited	1	5,000	1.36	5,000	1.61	-	-	-	-
Indiabulls Housing Finance Limited	2	20,000	1.90	23,800	3.76	3,000	0.59	-	-
ITC Limited	1	10,000	2.74	10,000	2.51	15,000	3.29	2,000	0.34
Albert David Limited	10	5,200	2.71	5,200	2.76	-	-	-	-
Punjab National Bank	2	18,000	0.52	18,000	0.63	-	-	-	-
Balmer Lawrie & Company Limited	10	10,000	1.09	10,000	1.13	10,000	1.29	-	-
Pfizer Limited	10	831	3.39	831	3.61	115	0.52	-	-
Tata Consumer Products Limited	1	600	0.42	600	0.47	2,000	1.28	3,000	0.88
PNC Infratech Limited	2	1,000	0.24	1,000	0.26	-	-	-	-
Varun Beverages Limited	10	1,350	1.07	550	0.52	700	0.70	-	-
Expleo Solutions Limited	10	700	0.89	700	1.18	-	-	-	-
VKS Project	1	-	-	5,00,000	-	5,00,000	0.02	5,00,000	0.02
Larsen & Toubro Infotech Limited	1	400	1.59	400	2.46	900	3.65	1,600	2.29
Clean Science and Technology Limited	1	54	0.08	54	0.11	-	-	-	-
Sun Pharma Advanced Research Company Limited	1	2,000	0.42	2,000	0.59	-	-	-	-
Kotak Mahindra Bank Limited	5	500	0.83	500	0.88	700	1.23	1,400	1.81
Mazagon Dock Shipbuilders Limited	10	4,500	1.11	4,500	1.08	5,000	1.06	-	-
MSTC Limited	10	2,000	0.48	2,000	0.61	-	-	3,000	0.24
Zee Entertainment Enterprises Limited	1	7,500	1.61	10,000	2.88	-	-	-	-
Bharat Electronics Limited	1	3,000	0.70	3,000	0.63	-	-	-	-
Krebs Biochemicals and Industries Limited	10	14,000	1.45	15,100	2.16	-	-	-	-
Lakshmi Machine Works Limited	10	900	8.08	900	8.66	595	4.05	500	1.15
Westlife Development Limited	2	3,000	1.49	3,000	1.44	7,000	3.21	7,000	2.24
Shankara Building Products Limited	10	1,000	0.67	1,000	0.79	-	-	-	-
Huhtamaki India Limited	2	4,000	0.66	4,000	0.60	2,000	0.56	-	-
Titan Company Limited	1	400	0.78	400	1.01	600	0.93	800	0.75
SMS Lifesciences India Limited	10	2,000	1.44	2,000	1.40	-	-	-	-
Lupin Limited	2	12,000	7.33	12,000	8.96	-	-	-	-
Cerebra Integrated Technologies Limited	10	55,000	2.74	55,000	4.33	49,940	2.57	57,000	1.02
Unichem Laboratories Limited	2	16,000	3.85	16,000	4.16	-	-	-	-

**SURVIVAL TECHNOLOGIES LIMITED**  
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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**Note 9.1 Investments**

(Rs. in millions)

Abbott India Limited	10	160	3.00	160	2.83	10	0.15	-	-
Divi's Laboratories Limited	2	100	0.36	100	0.44	100	0.36	300	0.60
Garden Reach Shipbuilders & Engineers Limited	10	4,000	0.90	4,000	0.91	5,000	0.93	11,000	1.51
The India Cements Limited	10	12,000	1.88	12,000	2.51	15,000	2.51	10,000	1.06
Dishman Carbogen Amcis Limited	2	20,000	2.26	20,000	3.70	-	-	-	-
Lincoln Pharmaceuticals Limited	10	10,000	2.94	10,000	3.11	-	-	-	-
Eris Lifesciences Limited	1	8,000	5.34	8,000	5.51	-	-	-	-
Vinati Organics Limited	1	3,900	7.73	3,900	7.62	-	-	-	-
Nazara Technologies Limited	4	813	0.55	413	0.66	13	0.01	-	-
Nath Bio-Genes (India) Limited	10	15,000	2.83	15,000	3.20	-	-	-	-
Route Mobile Limited	10	500	0.62	500	0.77	-	-	-	-
Kaveri Seed Company Limited	2	15,000	7.63	15,000	8.21	-	-	-	-
3M India Limited	10	150	3.28	150	2.95	230	6.96	200	3.79
Linde India Limited	10	1,400	4.48	1,400	5.30	3,000	5.41	2,000	0.97
Caplin Point Laboratories Limited	2	6,300	4.48	6,300	4.27	-	-	-	-
Canara Bank	10	43,000	7.79	43,000	9.78	-	-	-	-
Central Bank of India	10	50,000	0.85	50,000	0.92	-	-	-	-
Godrej Properties Limited	5	3,000	3.55	3,000	5.02	4,500	6.35	7,000	4.23
IOL Chemicals and Pharmaceuticals Limited	10	7,000	2.27	7,000	2.48	-	-	-	-
Suven Life Sciences Limited	1	9,000	0.63	9,000	0.83	9,000	0.63	9,000	0.19
Poonawalla Fincorp Limited	2	3,000	0.68	5,000	1.36	-	-	-	-
Forbes & Company Limited	10	150	0.06	150	0.06	100	0.17	-	-
Coal India Limited	10	5,000	0.74	6,000	1.10	10,000	1.30	-	-
Kridhan Infra Limited*	2	1,000	0.00	1,000	0.00	1,000	0.00	1,000	0.00
Balmer Lawrie Investments Limited	10	3,000	1.11	3,000	1.11	3,000	1.40	-	-
Ambika Cotton Mills Limited	10	100	0.16	100	0.24	-	-	-	-
Reliance Naval and Engineering Limited	10	1,00,000	0.30	1,00,000	0.32	-	-	-	-
HFCL Limited	1	20,000	1.10	20,000	1.57	-	-	-	-
Shiva Cement Limited	2	55,000	2.56	60,000	2.27	-	-	-	-
Zee Learn Limited	1	20,000	0.12	20,000	0.25	-	-	-	-
Laxmi Organic Industries Limited	2	115	0.03	115	0.05	115	0.02	-	-
NMDC Limited	1	40,000	4.33	40,000	6.50	-	-	-	-
TCI Express Limited	2	1,200	1.91	1,200	2.05	2,500	2.37	2,500	1.37
Computer Age Management Services Limited	10	710	1.60	710	1.64	-	-	-	-
PCBL Limited	1	5,000	0.52	5,000	1.14	-	-	-	-
PI Industries Limited	1	200	0.51	200	0.56	-	-	-	-
Reliance Power Limited	10	5,69,500	6.55	6,19,500	8.36	-	-	-	-
Parabolic Drugs Limited*	10	2,789	0.00	2,789	-	2,789	0.02	2,401	0.00
KNR Constructions Limited	2	1,000	0.23	1,000	0.28	-	-	-	-
Vodafone Idea Limited	10	2,00,000	1.68	2,00,000	1.93	-	-	-	-
Tata Elxsi Limited	10	600	4.90	600	5.30	1,000	2.69	2,000	1.26
Transport Corporation of India Limited	2	2,000	1.35	2,000	1.20	4,500	1.15	4,500	0.85
Heranba Industries Limited	10	5,000	2.75	5,000	3.02	-	-	-	-
Jubilant Pharmova Limited	1	5,000	1.72	5,000	1.94	-	-	-	-
Cochin Shipyard Limited	10	11,000	3.43	11,000	3.24	-	-	-	-
Whirlpool of India Limited	10	600	0.94	600	0.94	-	-	-	-
Renaissance Global Limited	10	-	-	2,000	1.73	-	-	-	-
Action Construction Equipment Limited*	2	182	0.00	-	-	-	-	-	-
N R Agarwal Industries Limited	10	12,000	2.68	12,000	3.20	-	-	-	-
Gufic Biosciences Limited	1	5,000	1.11	5,000	1.25	10,000	1.14	34,000	1.60
Adani Ports and Special Economic Zone Limited	2	6,000	4.03	6,000	4.65	-	-	-	-
Rhi Magnesita India Limited	1	9,000	4.51	10,000	6.13	8,000	1.81	13,000	1.51
Ortin Laboratories Limited	10	1,01,100	2.16	1,01,100	2.28	-	-	-	-
Cosmo Films Limited	10	750	0.74	600	1.04	1,000	0.62	-	-
Aarti Industries Limited	5	1,600	1.12	1,400	1.34	900	1.18	900	0.69
Transgene Biotek Limited	10	8,000	0.03	8,000	0.03	-	-	-	-
Mahindra & Mahindra Financial Services Limited	2	10,000	1.75	10,000	1.59	-	-	-	-
Shilpa Medicare Limited	1	41,000	15.96	41,000	16.32	11,000	3.67	-	-
Accelya Solutions India Limited	10	1,000	0.88	1,000	0.93	-	-	-	-
HDFC Life Insurance Company Limited	10	1,600	0.88	1,600	0.86	1,200	0.83	2,500	1.10
Sequent Scientific Limited	2	47,400	4.40	47,400	6.34	-	-	-	-
Bharat Rasayan Limited	10	100	1.10	100	1.22	-	-	-	-
Schneider Electric Infrastructure Limited	2	20,000	1.98	20,000	2.37	-	-	-	-
Isgec Heavy Engineering Limited	1	5,000	2.44	5,000	2.57	-	-	-	-
Mtar Technologies Limited	10	600	0.76	600	1.05	-	-	-	-
KEI Industries Limited	2	1,800	2.07	1,800	2.27	5,000	2.61	5,000	1.34



**SURVIVAL TECHNOLOGIES LIMITED**  
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<b>Note 9.1 Investments</b>		<i>(Rs. in millions)</i>							
Oracle Financial Services Software Limited	5	90	0.28	90	0.32	-	-	-	-
TV18 Broadcast Limited	2	-	-	10,000	0.74	-	-	-	-
Shakti Pumps (India) Limited	10	1,000	0.50	1,000	0.46	-	-	-	-
Dai-Ichi Karkaria Limited	10	1,000	0.31	1,000	0.37	-	-	-	-
Indiamart Intermesh Limited	10	24	0.09	25	0.11	-	-	-	-
Glenmark Pharmaceuticals Limited	1	3,500	1.35	3,500	1.55	-	-	2,000	0.41
Moschip Technologies Limited	2	10,000	0.54	10,000	0.61	-	-	-	-
Arvind Fashions Limited	4	2,000	0.52	2,000	0.57	2,000	0.28	2,000	0.29
WinPro Industries Limited	5	15,000	0.07	15,000	0.08	5,000	0.05	-	-
Tube Investments of India Limited	1	1,300	2.03	1,300	2.11	2,000	2.38	2,000	0.55
Pressman Advertising Limited	2	5,000	0.21	5,000	0.21	-	-	-	-
Infosys Limited	5	-	-	-	-	150	0.21	200	0.13
Larsen & Toubro Limited	2	-	-	-	-	200	0.28	1,100	0.89
Spencer's Retail Limited	5	-	-	-	-	3,800	0.27	4,000	0.30
Asian Paints Limited	1	-	-	-	-	250	0.63	-	-
Hindustan Unilever Limited	1	-	-	-	-	200	0.49	-	-
Jamna Auto Industries Limited	1	-	-	-	-	20,000	1.36	35,000	0.83
Suven Pharmaceuticals Limited	1	-	-	-	-	7,000	3.47	7,000	1.41
VIP Industries Limited	2	-	-	-	-	3,600	1.28	5,000	1.20
Sanofi India Limited	10	-	-	-	-	100	0.79	-	-
NBCC (India) Limited	1	-	-	-	-	34,000	1.58	34,000	0.56
Aarti Surfactants Limited	10	-	-	-	-	20	0.02	20	-
Relaxo Footwears Limited	1	-	-	-	-	500	0.44	500	0.30
Cholamandalam Financial Holdings Limited	1	-	-	-	-	500	0.30	2,000	0.58
Bharat Dynamics Limited	10	-	-	-	-	2,029	0.67	3,029	0.56
Marico Limited	1	-	-	-	-	1,000	0.41	-	-
AstraZeneca Pharma India Limited	2	-	-	-	-	50	0.15	-	-
Vedanta Limited	1	-	-	-	-	2,000	0.46	-	-
Ashok Leyland Limited	1	-	-	-	-	4,000	0.45	10,000	0.43
Hindustan Zinc Limited	2	-	-	-	-	1,000	0.27	-	-
Bajaj Finance Limited	2	-	-	-	-	100	0.51	450	1.00
Nippon Life India Asset Management Limited	10	-	-	-	-	4,000	1.35	3,999	0.99
rites Limited	10	-	-	-	-	2,500	0.60	2,500	0.61
ZF Commercial Vehicle Control Systems India Limited	5	-	-	-	-	200	1.32	200	1.23
Biocon Limited	5	-	-	-	-	3,500	1.43	-	-
Sundram Fasteners Limited	1	-	-	-	-	1,000	0.80	1,500	0.44
Minda Industries Limited	2	-	-	-	-	1,000	0.54	-	-
Anuh Pharma Limited	5	-	-	-	-	12,345	1.11	-	-
Mrs. Bectors Food Specialities Limited	10	-	-	-	-	100	0.03	-	-
Schaeffler India Limited	2	2,400	5.50	2,500	4.86	600	3.25	500	1.85
Kansai Nerolac Paints Limited	1	-	-	-	-	1,000	0.60	-	-
Alkem Laboratories Limited	2	-	-	-	-	500	1.39	600	1.40
GMM Pfaudler Limited	2	-	-	-	-	100	0.43	200	0.50
Maruti Suzuki India Limited	5	-	-	-	-	80	0.55	280	1.20
SRF Limited	10	-	-	-	-	50	0.27	100	0.28
Sundaram Finance Limited	10	-	-	-	-	1,000	2.58	1,000	1.20
Honeywell Automation India Limited	10	-	-	-	-	10	0.47	10	0.26
United Spirits Limited	2	-	-	-	-	1,750	0.97	1,750	0.85
NCC Limited	2	-	-	-	-	10,000	0.79	-	-
Housing Development Finance Corporation Limited	2	-	-	-	-	-	-	200	0.33
Mahanagar Gas Limited	10	-	-	-	-	-	-	200	0.16
SBI Cards and Payment Services Limited	10	-	-	-	-	-	-	200	0.12
Vakrangee Limited	1	-	-	-	-	-	-	19,700	0.39
Morepen Laboratories Limited	2	-	-	-	-	-	-	1,00,000	0.95
Atul Limited	10	-	-	-	-	-	-	150	0.60
Godrej Consumer Products Limited	1	-	-	-	-	-	-	200	0.10
PVR Limited	10	-	-	-	-	-	-	500	0.59
Maharashtra Seamless Limited	5	-	-	-	-	-	-	2,000	0.39
Indian Railway Catering And Tourism Corporation Limited	2	-	-	-	-	-	-	200	0.20
Aurobindo Pharma Limited	1	-	-	-	-	-	-	1,000	0.41
Polycab India Limited	10	-	-	-	-	-	-	200	0.15
Technocraft Industries (India) Limited	10	-	-	-	-	-	-	3,000	0.51
Motherson Sumi Systems Limited	1	-	-	-	-	-	-	1,000	0.06
IRCON International Limited	2	-	-	-	-	-	-	4,000	1.52
Delta Corp Limited	1	30,000	4.99	-	-	-	-	-	-
Eureka Forbes Limited	10	1,500	0.47	-	-	-	-	-	-

**SURVIVAL TECHNOLOGIES LIMITED**  
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<b>Note 9.1 Investments</b>		<i>(Rs. in millions)</i>							
Renaissance Global Limited	2	2,000	1.16	-	-	-	-	-	-
Nippon India ETF Liquid BEES	-	-	-	-	-	-	-	-	-
SH Kelkar and Company Limited	10	40,000	5.42	-	-	-	-	-	-
<b>Subtotal</b>		<b>22,51,585</b>	<b>294.22</b>	<b>27,55,164</b>	<b>328.84</b>	<b>9,47,291</b>	<b>115.48</b>	<b>10,55,841</b>	<b>66.28</b>
<b>Total Current Investment</b>		<b>22,51,585</b>	<b>294.22</b>	<b>27,55,164</b>	<b>328.84</b>	<b>9,47,291</b>	<b>115.48</b>	<b>10,55,841</b>	<b>66.28</b>
<b>Aggregate Cost value of:</b>									
Quoted Investments - Equity			<b>316.30</b>		<b>311.17</b>		<b>79.74</b>		<b>76.80</b>
<b>Aggregate FMV of:</b>									
Quoted Investments - Equity			<b>294.22</b>		<b>328.84</b>		<b>115.48</b>		<b>66.28</b>
<b>Aggregate amount of impairment in value of Investments</b>				-	-	-	-	-	-

\* Below Rs. 50,000

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**15 Equity Share Capital**

(Rs. in millions)

Particulars	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Authorised :</b>				
1,00,00,000 Equity Shares of Rs 10 each (Refer Note 51)	100.00	100.00	100.00	100.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Paid up :</b>				
57,50,000 Equity Shares of Rs 10 Each Fully Paid up (Refer Note 51)	57.50	57.50	57.50	57.50
	<b>57.50</b>	<b>57.50</b>	<b>57.50</b>	<b>57.50</b>

**a) Reconciliation of number of shares**

Equity Shares	As at 30.06.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	Number	(Rs.)	Number	(Rs.)	Number	(Rs.)	Number	(Rs.)
Shares outstanding at the beginning of the period	57,50,000	57.50	57,50,000	57.50	57,50,000	57.50	57,50,000	57.50
Shares Issued during the period	-	-	-	-	-	-	-	-
Shares bought back during the period	-	-	-	-	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>57,50,000</b>	<b>57.50</b>	<b>57,50,000</b>	<b>57.50</b>	<b>57,50,000</b>	<b>57.50</b>	<b>57,50,000</b>	<b>57.50</b>

**b) Details of shareholders holding more than 5% of shares:**

Name of Shareholders	As at 30.06.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Equity Shares of Rs. 10 each held by:								
1. Vijaykumar Agrawal	67.98%	39,08,650	67.98%	39,08,900	67.98%	39,08,900	67.98%	39,08,900
2. Nimai Agrawal	26.52%	15,25,000	26.52%	15,25,000	26.52%	15,25,000	26.52%	15,25,000
3. Prabha Agrawal	5.39%	3,10,000	5.39%	3,10,000	5.39%	3,10,000	5.39%	3,10,000

As per the records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**c) Details of shareholding of promoters:**

Name of Shareholders	As at 30.06.2022			As at 31.03.2022			As at 31.03.2021			As at 31.03.2020		
	% of Holding	No. of Shares held	% Change in Holding	% of Holding	No. of Shares held	% Change in Holding	% of Holding	No. of Shares held	% Change in Holding	% of Holding	No. of Shares held	% Change in Holding
Equity Shares of Rs. 10 each held by:												
1. Vijaykumar Agrawal	67.98%	39,08,650	-	67.98%	39,08,900	-	67.98%	39,08,900	-	67.98%	39,08,900	-
2. Nimai Agrawal	26.52%	15,25,000	-	26.52%	15,25,000	-	26.52%	15,25,000	-	26.52%	15,25,000	-

**d) Rights, preferences and restrictions :**

The Company has only one class of equity shares having a par value of Rs 10 Per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the no. of equity shares held by shareholder.

e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end.

f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**16 Other Equity**

(Rs. in millions)

	Reserves and Surplus		OCI	Total
	General Reserve	Retained Earnings	Remeasurement of net defined benefit plan	
<b>Balance as on 01.04.2019</b>	<b>1.70</b>	<b>714.36</b>	-	<b>716.06</b>
Profit/(loss) for the year	-	190.53	-	190.53
Other Comprehensive Income / (loss)	-	-	(1.14)	(1.14)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>190.53</b>	<b>(1.14)</b>	<b>189.39</b>
<b>Balance as on 31.03.2020</b>	<b>1.70</b>	<b>904.89</b>	<b>(1.14)</b>	<b>905.45</b>
Changes in Accounting Policies / Prior Period errors (Refer Note 45)	-	(4.89)	-	(4.89)
Profit for the year	-	563.20	-	563.20
Other Comprehensive Income	-	-	(1.94)	(1.94)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>563.20</b>	<b>(1.94)</b>	<b>561.26</b>
<b>Balance as on 31.03.2021</b>	<b>1.70</b>	<b>1,468.09</b>	<b>(3.08)</b>	<b>1,466.71</b>
Profit for the year	-	734.62	-	734.62
Other Comprehensive Income	-	-	0.14	0.14
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>734.62</b>	<b>0.14</b>	<b>734.76</b>
Dividends paid	-	(5.75)	-	(5.75)
<b>Balance as on 31.03.2022</b>	<b>1.70</b>	<b>2,196.96</b>	<b>(2.94)</b>	<b>2,195.72</b>
Profit for the period	-	248.79	-	248.79
Other Comprehensive Income	-	-	0.82	0.82
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>248.79</b>	<b>0.82</b>	<b>249.61</b>
Dividends paid	-	-	-	-
<b>Balance as on 30.06.2022</b>	<b>1.70</b>	<b>2,445.75</b>	<b>(2.12)</b>	<b>2,445.33</b>

**Nature and Purpose of each reserve:**

- a) General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956.  
 b) Retained Earning: The reserve is created on account of profit earned.

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**35 Income Taxes**

(Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>(i) Tax expense recognised in the statement of profit and loss</b>				
Current Tax on profits for the period	100.51	251.03	183.80	95.19
Adjustments for current tax of prior periods	-	0.95	-	(0.01)
<b>Total Current Tax Expense</b>	<b>100.51</b>	<b>251.98</b>	<b>183.80</b>	<b>95.18</b>
Deferred Tax charge/ (credit) P&L	(1.12)	(16.15)	(1.94)	8.29
<b>Total Deferred Tax Expense</b>	<b>(1.12)</b>	<b>(16.15)</b>	<b>(1.94)</b>	<b>8.29</b>
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>99.39</b>	<b>235.83</b>	<b>181.86</b>	<b>103.47</b>
<b>(ii) Tax expense recognised in OCI</b>				
<b>Deferred Tax:</b>				
Deferred Tax Expense on Remeasurement of defined benefit plans through OCI	(0.27)	(0.04)	0.65	0.47
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(0.27)</b>	<b>(0.04)</b>	<b>0.65</b>	<b>0.47</b>

(Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>				
Enacted income tax rate in India applicable to the Company (in %)	25.17%	25.17%	25.17%	29.12%
Profit/ (Loss) before income tax expense	348.18	970.45	745.06	294.01
<b>Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India</b>	<b>87.63</b>	<b>244.24</b>	<b>187.52</b>	<b>85.61</b>
<b>Tax effects of:</b>				
Tax effect on non-deductible expenses	2.24	8.65	4.29	0.88
Effect of Income which is taxed at special rates	9.97	(7.34)	(2.45)	2.31
Others	(0.45)	(10.67)	(7.50)	14.67
<b>Total</b>	<b>99.39</b>	<b>234.88</b>	<b>181.86</b>	<b>103.48</b>
<b>Short Provision for Tax for earlier years</b>	<b>-</b>	<b>0.95</b>	<b>-</b>	<b>-</b>
<b>Tax expense as per Statement of Profit and Loss</b>	<b>99.39</b>	<b>235.83</b>	<b>181.86</b>	<b>103.48</b>
Consequent to reconciliation items shown above, the effective tax rate is	28.55%	24.30%	24.41%	35.20%

**The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:**

As at 30th June, 2022

(Rs. in millions)

Particulars	Balance as on 01.04.2022	Profit and Loss for the Period	OCI for the Period	Balance as on 30.06.2022
<b>Deferred tax Liabilities / (Assets) in relation to:</b>				
Difference between written down value/capital work in progress of Property, Plant & Equipment as per the books of accounts and Income Tax Act, 1961	(3.73)	(0.26)	-	(3.99)
Difference between Inventory Value as per the books of accounts and Income Tax Act, 1961	-	-	-	-
Lease liability amortisation	(0.72)	0.10	-	(0.62)
Provision for Expected Credit losses on Trade Receivables	(1.49)	(0.45)	-	(1.94)
Provision for Gratuity	(2.69)	0.11	-	(2.58)
Provision for Compensated Absences	(0.80)	0.15	-	(0.65)
Differences in carrying value and Tax base of investments measured at FVTPL	(3.04)	(0.77)	-	(3.81)
<b>Total</b>	<b>(12.47)</b>	<b>(1.12)</b>	<b>-</b>	<b>(13.59)</b>

As at 31.03.2022

(Rs. in millions)

Particulars	Balance as on 01.04.2021	Profit and Loss for the year	OCI for the year	Balance as on 31.03.2022
<b>Deferred tax Liabilities / (Assets) in relation to:</b>				
Difference between written down value/capital work in progress of Property, Plant & Equipment as per the books of accounts and Income Tax Act, 1961	11.47	(15.20)	-	(3.73)
Difference between Inventory Value as per the books of accounts and Income Tax Act, 1961	2.77	(2.77)	-	-
Lease liability amortisation	(0.10)	(0.62)	-	(0.72)
Provision for Expected Credit losses on Trade Receivables	(1.19)	(0.30)	-	(1.49)
Provision for Gratuity	(2.30)	(0.34)	(0.04)	(2.69)
Provision for Compensated Absences	(0.88)	0.08	-	(0.80)
Differences in carrying value and Tax base of investments measured at FVTPL	(6.13)	3.09	-	(3.04)
<b>Total</b>	<b>3.64</b>	<b>(16.06)</b>	<b>(0.04)</b>	<b>(12.47)</b>

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As at 31.03.2021

(Rs. in millions)

Particulars	Balance as on 01.04.2020	Profit and Loss for the year	OCI for the year	Balance as on 31.03.2021
<b>Deferred tax Liabilities / (Assets) in relation to:</b>				
Difference between written down value/capital work in progress of Property, Plant & Equipment as per the books of accounts and Income Tax Act, 1961	3.60	7.87	-	11.47
Difference between Inventory Value as per the books of accounts and Income Tax Act, 1961	5.00	(2.23)	-	2.77
Lease liability amortisation	(0.20)	0.10	-	(0.10)
Provision for Expected Credit losses on Trade Receivables	(1.19)	-	-	(1.19)
Provision for Gratuity	(2.03)	(0.93)	0.65	(2.30)
Provision for Compensated Absences	(0.78)	(0.10)	-	(0.88)
Differences in carrying value and Tax base of investments measured at FVTPL	1.84	(7.97)	-	(6.13)
<b>Total</b>	<b>6.23</b>	<b>(3.24)</b>	<b>0.65</b>	<b>3.64</b>

As at 31.03.2020

(Rs. in millions)

Particulars	Balance as on 01.04.2019	Profit and loss for the year	OCI for the year	Balance as on 31.03.2020
<b>Deferred tax Liabilities / (Assets) in relation to:</b>				
Difference between written down value/capital work in progress of Property, Plant & Equipment as per the books of accounts and Income Tax Act, 1961	3.60	-	-	3.60
Difference between Inventory Value as per the books of accounts and Income Tax Act, 1961	5.00	-	-	5.00
Lease liability amortisation	-	(0.20)	-	(0.20)
Provision for Expected Credit losses on Trade Receivables	-	(1.19)	-	(1.19)
Provision for Gratuity	(2.03)	-	-	(2.03)
Provision for Compensated Absences	(0.78)	-	-	(0.78)
Differences in carrying value and Tax base of investments measured at FVTPL	-	1.84	-	1.84
<b>Total</b>	<b>5.78</b>	<b>0.45</b>	<b>-</b>	<b>6.24</b>

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**36 Leases**

The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). The Company has taken lease hold land and building on lease. Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. The Company has used discounting rate of 9% to arrive at the present value of its future cash flows towards lease liabilities.

	(Rs. in millions)			
	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Lease liabilities - Maturity analysis - contractual undiscounted cash flows				
Not later than one year	13.26	13.44	5.22	5.17
Later than one year and not later than five years	34.22	37.18	10.76	15.98
Later than 5 years	-	-	-	-
	<b>47.48</b>	<b>50.62</b>	<b>15.98</b>	<b>21.15</b>

	(Rs. in millions)			
	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Movement of Lease Liabilities</b>				
Opening Balance	40.58	3.50	7.95	11.89
Addition	1.55	40.95	-	-
Interest on Lease Liabilities	0.93	4.00	0.72	1.07
Payment towards lease Liabilities	(3.31)	(7.87)	(5.17)	(5.01)
	<b>39.75</b>	<b>40.58</b>	<b>3.50</b>	<b>7.95</b>

	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Total Lease Expenses	3.31	10.32	4.88	5.20
Expenses relating to short-term leases and low-value assets	1.03	7.25	7.74	6.25

**Components of Right of Use Assets**

	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Leasehold Land	50.98	51.32	33.50	33.50
Building	37.43	37.51	20.91	25.29
	<b>88.41</b>	<b>88.83</b>	<b>54.41</b>	<b>58.79</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The Company's lease asset classes primarily consist of leases for land, premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense in the statement of profit and loss.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease inventories. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

**37 Contingent Liabilities**

	(Rs. in millions)			
	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Claims against the Company not acknowledged as debts</b>				
Tax matters in dispute under appeal	24.32	24.32	56.69	18.69

Management has been opined by its Tax Consultant that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

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**38 Related party disclosures as per Ind AS 24**

**1 Related parties with whom transactions have taken place during the period and its relationship:**

Name of the related parties	Designation / Relationship
Vijaykumar Agrawal	Chairman and Whole Time Director
Nimai Agrawal	Managing Director and Chief Executive Officer
Prabha Agrawal	Whole Time Director
Ramendra Dixit	Director (Upto 01.11.2019)
Vaishali Sawant	Director (w.e.f. 10.06.2019 and upto 02.12.2019)
Laxmi Bansal	Relative of Whole Time Director
Rambhakt Agrawal	Relative of Director
Rudra Speciality Chem Private Limited	Director has a significant influence
Raghunandan Prasad Agrawal Charitable Trust	Director has a significant influence
Spectrochem Private Limited	Director has a significant influence
Sisco Research Laboratories Private Limited	Director has a significant influence

**2 Transactions during the period**

(Rs. in millions)

	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
<b>Remuneration</b>				
Vijaykumar Agrawal	10.50	42.00	24.07	10.80
Nimai Agrawal	10.50	42.00	24.24	17.10
Prabha Agrawal	4.50	18.00	12.00	1.20
Ramendra Dixit	-	-	-	2.20
Vaishali Sawant	-	-	-	0.26
<b>Professional Fees</b>				
Laxmi Bansal	0.20	1.66	1.79	1.39
Rambhakt Agrawal	-	0.50	-	0.85
<b>Rent Expense</b>				
Prabha Agrawal	0.30	1.20	1.20	1.20
<b>Sale of Goods</b>				
Spectrochem Private Limited	3.97	19.08	3.44	2.14
Sisco Research Laboratories Private Limited	0.85	2.71	0.22	0.74
Rudra Speciality Chem Private Limited	17.83	24.78	62.14	9.42
<b>Purchase of Goods</b>				
Rudra Speciality Chem Private Limited	174.59	150.30	117.57	44.78
<b>Corporate Social Responsibility Expenses including other Donations</b>				
Raghunandan Prasad Agrawal Charitable Trust	6.32	10.93	2.71	-
<b>Total</b>	<b>229.56</b>	<b>313.16</b>	<b>249.38</b>	<b>92.08</b>

**3 Outstanding balances as at period end**

(Rs. in millions)

	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Payable</b>				
Vijaykumar Agrawal	1.77	3.54	2.40	0.60
Nimai Agrawal	8.80	3.67	2.51	2.03
Prabha Agrawal	4.43	1.88	1.07	0.26
Ramendra Dixit	-	0.01	0.00	0.01
Laxmi Bansal	0.38	0.73	0.17	1.34
<b>Trade Receivable</b>				
Spectrochem Private Limited	4.09	9.24	1.95	1.08
Sisco Research Laboratories Private Limited	1.00	1.07	-	0.27
Rudra Speciality Chem Private Limited	-	-	14.42	-
<b>Trade Payable</b>				
Rudra Speciality Chem Private Limited	102.21	18.51	-	29.64
<b>Guarantees</b>				
Rudra Speciality Chem Private Limited (refer note 47)	-	-	-	-

Corporate Guarantees of Rs. 115.00 Millions have been given for business purpose. No loan has been availed by Rudra Speciality Chem Private Limited in relation to the guarantees given by Company as on date.

**4 Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. No balances in respect of the related parties has been provided for written off / written back, except what is stated above.

Related party relationship is as identified by the management and relied upon by the auditors.



**SURVIVAL TECHNOLOGIES LIMITED****(Formerly Known as Survival Technologies Private Limited)****Annexure VII : Notes to the Restated Ind AS Summary Statements****39 Segment Reporting**

The Board of Directors are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly they have determined "Fine and Speciality Chemicals" as its only operating segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all in respect of aforesaid Fine and Speciality Chemicals Business.

**Geographical Information**

(Rs. in millions)

a. Revenue from external customers	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
attributed to the Company's country of domicile, India	639.36	2,082.45	1,852.57	1,374.64
attributed to all foreign countries	350.63	965.98	872.23	597.01
<b>Total</b>	<b>989.99</b>	<b>3,048.43</b>	<b>2,724.80</b>	<b>1,971.65</b>

(Rs. in millions)

b. Revenues from transactions with a customers exceeding 10% of the Company's sales in current as well as previous period.	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Revenue from Contracts with Customers	174.04	-	-	-
<b>Total</b>	<b>174.04</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Rs. in millions)

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
located in the Company's country of domicile, India	594.63	550.90	420.52	426.85
located in all foreign countries	-	-	-	-
<b>Total</b>	<b>594.63</b>	<b>550.90</b>	<b>420.52</b>	<b>426.85</b>

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**40 Earnings per share (EPS)**

	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
A Profit attributable to equity share holders of the Company for basic and diluted earnings per share (Rs. In millions)	248.79	734.62	563.20	190.53
B Weighted average number of equity shares considered after split and bonus of shares into Rs. 2 each (Refer Note 51)	8,62,50,000	8,62,50,000	8,62,50,000	8,62,50,000
C Nominal Value of Equity Share (Refer Note 51)	2.00	2.00	2.00	2.00
<b>Basic earnings per share *</b>	<b>2.88</b>	<b>8.52</b>	<b>6.53</b>	<b>2.21</b>
<b>Diluted earnings per share *</b>	<b>2.88</b>	<b>8.52</b>	<b>6.53</b>	<b>2.21</b>

*\* Not Annualised for the quarter*

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**41 Financial instruments**

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

**A Calculation of fair values**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- i The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- ii Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

**Financial Assets and Liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

**a. Financial Assets**

	Instruments carried at fair value			Total Carrying Value
	FVOCI (Other instruments)	FVTPL	Instruments carried at amortised cost	
<i>(Rs. in millions)</i>				
<b>As at 31.03.2020</b>				
(i) Investments	-	66.28	9.88	<b>76.16</b>
(ii) Other financial assets	-	-	19.70	<b>19.70</b>
(iii) Trade receivables	-	-	810.60	<b>810.60</b>
(iv) Cash and cash equivalents	-	-	11.60	<b>11.60</b>
(v) Other Balances with Banks	-	-	19.07	<b>19.07</b>
<b>Total</b>	<b>-</b>	<b>66.28</b>	<b>870.85</b>	<b>937.13</b>
<b>As at 31.03.2021</b>				
(i) Investments	-	115.48	10.07	<b>125.55</b>
(ii) Other financial assets	-	-	22.95	<b>22.95</b>
(iii) Trade receivables	-	-	759.22	<b>759.22</b>
(iv) Cash and cash equivalents	-	-	73.06	<b>73.06</b>
(v) Other Balances with Banks	-	-	229.72	<b>229.72</b>
<b>Total</b>	<b>-</b>	<b>115.48</b>	<b>1,095.02</b>	<b>1,210.50</b>
<b>As at 31.03.2022</b>				
(i) Investments	-	328.84	15.12	<b>343.96</b>
(ii) Other financial assets	-	-	68.71	<b>68.71</b>
(iii) Trade receivables	-	-	1,198.94	<b>1,198.94</b>
(iv) Cash and cash equivalents	-	-	85.68	<b>85.68</b>
(v) Other Balances with Banks	-	-	96.00	<b>96.00</b>
<b>Total</b>	<b>-</b>	<b>328.84</b>	<b>1,464.45</b>	<b>1,793.29</b>
<b>As at 30.06.2022</b>				
(i) Investments	-	294.22	17.30	<b>311.52</b>
(ii) Other financial assets	-	-	71.73	<b>71.73</b>
(iii) Trade receivables	-	-	1,338.70	<b>1,338.70</b>
(iv) Cash and cash equivalents	-	-	80.27	<b>80.27</b>
(v) Other Balances with Banks	-	-	102.88	<b>102.88</b>
<b>Total</b>	<b>-</b>	<b>294.22</b>	<b>1,610.88</b>	<b>1,905.10</b>

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<b>b. Financial Liabilities</b>		<i>(Rs. in millions)</i>		
	Fair value through profit & loss	At amortised cost	Total carrying amount	
<b>As at 31.03.2020</b>				
(i) Borrowings	-	219.96	219.96	
(ii) Lease Liability	-	7.95	7.95	
(iii) Other Financial Liabilities	-	21.78	21.78	
(iv) Trade Payables	-	315.65	315.65	
<b>Total</b>	<b>-</b>	<b>565.34</b>	<b>565.34</b>	
<b>As at 31.03.2021</b>				
(i) Borrowings	-	-	-	
(ii) Lease Liability	-	3.50	3.50	
(iii) Other Financial Liabilities	-	33.88	33.88	
(iv) Trade Payables	-	321.46	321.46	
<b>Total</b>	<b>-</b>	<b>358.84</b>	<b>358.84</b>	
<b>As at 31.03.2022</b>				
(i) Borrowings	-	-	-	
(ii) Lease Liability	-	40.59	40.59	
(iii) Other Financial Liabilities	-	39.42	39.42	
(iv) Trade Payables	-	506.83	506.83	
<b>Total</b>	<b>-</b>	<b>586.84</b>	<b>586.84</b>	
<b>As at 30.06.2022</b>				
(i) Borrowings	-	-	-	
(ii) Lease Liability	-	39.75	39.75	
(iii) Other Financial Liabilities	-	52.44	52.44	
(iv) Trade Payables	-	468.46	468.46	
<b>Total</b>	<b>-</b>	<b>560.65</b>	<b>560.65</b>	

**c. Fair value hierarchy**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfer between Level 1 and Level 2 in the periods.

There has been no change in fair value hierarchy of any financial asset and liability during the periods ended 30.06.2022, 31.03.2022, 31.03.2021 and 31.03.2020.

The below table summarises the categories of financial assets and liabilities as at 30.06.2022, 31.03.2022, 31.03.2021 and 31.03.2020 measured at fair value:

<b>As at 31.03.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>Financial Assets at Fair Value</u></b>				
Investments in Equity Shares	66.28	-	-	66.28
<b>As at 31.03.2021</b>				
<b><u>Financial Assets at Fair Value</u></b>				
Investments in Equity Shares	115.48	-	-	115.48
<b>As at 31.03.2022</b>				
<b><u>Financial Assets at Fair Value</u></b>				
Investments in Equity Shares	328.84	-	-	328.84
<b>As at 30.06.2022</b>				
<b><u>Financial Assets at Fair Value</u></b>				
Investments in Equity Shares	294.22	-	-	294.22

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**42 Assets and liabilities relating to Employee Benefits**

See accounting policy in Note 1(1.3)(n)

For details about the related employee benefit expenses, see Note 32

**A. Defined Contribution Plan:**

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the Period towards defined contribution plans are as detailed below:

(Rs. in millions)

Particulars	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
Provident Fund and other Funds	1.80	4.78	2.67	3.81
<b>Total included in Note 32 - 'Contribution to provident and other funds'</b>	<b>1.80</b>	<b>4.78</b>	<b>2.67</b>	<b>3.81</b>

**B. Defined Benefit Obligation:**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity				Leave			
	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20	Q1 2022-23	Year 2021-22	Year 2020-21	Year 2019-20
<b>Principal actuarial assumptions</b>								
Discount rate	7.60%	7.00%	6.45%	6.80%	7.60%	7.00%	6.45%	6.80%
Range of compensation increase	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Withdrawal Rate:								
- Younger ages	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
- Older ages	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

(Rs. in millions)

Actuarial study analysis	Gratuity				Leave			
	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20	Q1 2022-23	Year 2021-22	Year 2020-21	Year 2019-20
<b>Components of income statement charge</b>								
Current service cost	0.59	2.01	1.41	1.20	0.22	0.68	0.48	0.48
Interest cost	0.18	0.58	0.46	0.38	0.05	0.22	0.18	0.14
Recognition of past service cost	-	-	-	-	-	-	-	-
Immediate recognition of (gain)/losses	(1.09)	(0.18)	2.59	1.61	(0.83)	(0.59)	1.05	0.58
Settlement/curtailment/termination loss	-	-	-	-	-	-	-	-
<b>Total charged to statement of profit or loss</b>	<b>(0.32)</b>	<b>2.41</b>	<b>4.46</b>	<b>3.19</b>	<b>(0.56)</b>	<b>0.31</b>	<b>1.71</b>	<b>1.20</b>
<b>Movements in net liability/(asset)</b>								
Net liability at the beginning of the period	10.70	9.15	6.97	5.28	3.18	3.50	2.69	1.96
Employer contributions	(0.14)	(0.86)	(2.28)	(1.50)	(0.03)	(0.62)	(0.91)	(0.47)
Total expense recognised in the statement of profit or loss	0.77	2.59	1.87	1.58	0.27	0.90	0.66	0.62
Total expense recognised in the Retained Earnings	-	-	-	-	-	-	-	-
Total amount recognised in OCI	(1.09)	(0.18)	2.59	1.61	(0.83)	(0.59)	1.05	0.58
<b>Net liability at the end of the period</b>	<b>10.24</b>	<b>10.70</b>	<b>9.15</b>	<b>6.97</b>	<b>2.59</b>	<b>3.19</b>	<b>3.49</b>	<b>2.69</b>

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<b>Reconciliation of benefit obligations</b>								
Obligation at start of the period	10.70	9.15	6.97	5.28	3.18	3.50	2.69	1.96
Current service cost	0.59	2.01	1.41	1.20	0.22	0.68	0.48	0.48
Interest cost	0.18	0.58	0.46	0.38	0.05	0.22	0.18	0.14
Benefits paid directly by the Group	(0.14)	(0.86)	(2.28)	(1.50)	(0.03)	(0.62)	(0.91)	(0.47)
Extra payments or expenses/(income)	-	-	-	-	-	-	-	-
Obligation of past service cost	-	-	-	-	-	-	-	-
Actuarial loss	(1.09)	(0.18)	2.59	1.61	(0.83)	(0.59)	1.05	0.58
<b>Defined benefits obligations at the end of the period</b>	<b>10.24</b>	<b>10.70</b>	<b>9.15</b>	<b>6.97</b>	<b>2.59</b>	<b>3.19</b>	<b>3.49</b>	<b>2.69</b>
<b>Re-measurements of defined benefit plans</b>								
Actuarial gain/(loss) due to changes in demographic assumptions	-	-	-	-	-	-	-	0.35
Actuarial gain/(loss) due to changes in financial assumptions	(0.55)	(0.54)	0.30	0.41	(0.14)	(0.17)	0.12	0.16
Actuarial gain/(loss) on account of experience adjustments	(0.54)	0.36	2.30	1.21	(0.69)	(0.42)	0.93	0.07
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(1.09)</b>	<b>(0.18)</b>	<b>2.59</b>	<b>1.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.58</b>
<b>Total actuarial gain/(loss) recognised in Statement of profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.83)</b>	<b>(0.59)</b>	<b>1.05</b>	<b>0.23</b>

**Sensitivity analysis of significant assumptions**

C. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(Rs. in millions)

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity							
	Quarter ended June 22		Year 2021-22		Year 2020-21		Year 2019-20	
	% increase/ (Decrease) in DBO	Liability	% increase/ (Decrease) in DBO	Liability	% increase/ (Decrease) in DBO	Liability	% increase/ (Decrease) in DBO	Liability
<b>Discount rate</b>								
+ 0.5% discount rate	(4.09%)	9.82	(4.26%)	10.24	(4.56%)	8.73	(4.53%)	6.66
- 0.5% discount rate	4.40%	10.69	4.60%	11.19	4.93%	9.60	4.89%	7.31
<b>Salary increase</b>								
+ 0.5% salary growth	3.43%	10.59	3.55%	11.08	3.59%	9.48	3.64%	7.23
- 0.5% salary growth	(3.60%)	9.87	(3.80%)	10.29	(3.85%)	8.80	(3.53%)	6.73
<b>Withdrawal rate</b>								
+ 0.5% salary growth	0.38%	10.28	0.16%	10.71	(0.18%)	9.13	0.02%	6.97
- 0.5% salary growth	(0.42%)	10.20	(0.18%)	10.68	0.17%	9.17	(0.05%)	6.97

(Rs. in millions)

Sensitivity of DBO, Service Cost, and P&L Account	Leave			
	Quarter ended June 22	2021-22	2020-21	2019-20
<b>Discount rate</b>				
+ 0.5% discount rate		2.49	3.04	3.33
- 0.5% discount rate		2.71	3.33	3.68
<b>Salary increase</b>				
+ 0.5% salary growth		2.71	3.33	3.67
- 0.5% salary growth		2.49	3.04	3.33
<b>Withdrawal rate</b>				
+ 1.1 % salary growth		2.61	3.18	3.49
- 1.1 % salary growth		2.59	3.18	3.50

**Note:**  
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.  
The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

**Maturity Profile of Defined Benefit Obligation**

	Gratuity				Leave			
	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20	Quarter ended June 22	Year 2021-22	Year 2020-21	Year 2019-20
1st Year	1.36	1.08	0.41	0.33	0.40	0.25	0.21	0.17
2nd Year	0.62	0.85	0.96	0.35	0.15	0.25	0.31	0.16
3rd Year	0.91	0.90	0.74	0.89	0.18	0.22	0.27	0.31
4th Year	0.62	0.78	0.78	0.64	0.18	0.28	0.22	0.21
5th Year	0.58	0.61	0.51	0.65	0.13	0.18	0.20	0.18
thereafter	5.28	4.98	4.32	3.18	1.32	1.45	1.68	1.32
	<b>9.37</b>	<b>9.19</b>	<b>7.73</b>	<b>6.04</b>	<b>2.36</b>	<b>2.62</b>	<b>2.88</b>	<b>2.35</b>

The weighted average duration(years) as at June 30,2022 is 9.58 years, March 31, 2022 is 9.61 years, March 31, 2021 is 9.85 years and as at March 31, 2020 is 10.04 years.

**43 Financial risk management**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The Company has exposure to the following risks arising from

- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

**(A) Credit risk**

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**Ageing of account receivables at Gross Level: Trade receivables**

As on 30.06.2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months to 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade Receivables - Considered good	894.34	434.95	3.30	6.59	3.30	3.92	1,346.40
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
	<b>894.34</b>	<b>434.95</b>	<b>3.30</b>	<b>6.59</b>	<b>3.30</b>	<b>3.92</b>	<b>1,346.40</b>
Less: Allowance for Expected Credit Loss							(7.70)
<b>Total</b>							<b>1,338.70</b>

(Rs. in millions)

As on 31.03.2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months to 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade Receivables - Considered good	967.17	216.18	3.96	9.36	3.06	5.10	1,204.83
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
	<b>967.17</b>	<b>216.18</b>	<b>3.96</b>	<b>9.36</b>	<b>3.06</b>	<b>5.10</b>	<b>1,204.83</b>
Less: Allowance for Expected Credit Loss							(5.90)
<b>Total</b>							<b>1,198.93</b>

(Rs. in millions)

As on 31.03.2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months to 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade Receivables - Considered good	503.69	187.17	1.49	55.96	11.16	3.82	763.29
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
	<b>503.69</b>	<b>187.17</b>	<b>1.49</b>	<b>55.96</b>	<b>11.16</b>	<b>3.82</b>	<b>763.29</b>
Less: Allowance for Expected Credit Loss							(4.07)
<b>Total</b>	<b>503.69</b>	<b>187.17</b>	<b>1.49</b>	<b>55.96</b>	<b>11.16</b>	<b>3.82</b>	<b>759.22</b>

(Rs. in millions)

As on 31.03.2020

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months to 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade Receivables - Considered good	256.72	439.78	75.65	36.26	2.46	3.80	814.67
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
	<b>256.72</b>	<b>439.78</b>	<b>75.65</b>	<b>36.26</b>	<b>2.46</b>	<b>3.80</b>	<b>814.67</b>
Less: Allowance for Expected Credit Loss							(4.07)
<b>Total</b>	<b>256.72</b>	<b>439.78</b>	<b>75.65</b>	<b>36.26</b>	<b>2.46</b>	<b>3.80</b>	<b>810.60</b>

(Rs. in millions)

**Reconciliation of loss allowance - Trade Receivables**

Particulars	(Rs. in millions)			
	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Opening balance	5.90	4.07	4.07	3.62
Allowance made during the period	1.80	1.83	-	0.45
<b>Closing balance</b>	<b>7.70</b>	<b>5.90</b>	<b>4.07</b>	<b>4.07</b>

The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity analysis of significant financial liabilities

(Rs. in millions)

Particulars	As at 30.06.2022			As at 31.03.2022		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>						
Term Loans	-	-	-	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Trade and Other Payables	468.46	468.46	-	506.83	506.83	-
Other Financial Liabilities	52.44	52.44	-	39.42	39.42	-
Lease liabilities	39.75	9.72	30.03	40.59	10.21	30.38
Other Current Liabilities	14.43	14.43	-	19.29	19.29	-

Particulars	As at 31.03.2021			As at 31.03.2020		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>						
Term Loans	-	-	-	31.39	26.95	4.44
Short Term Borrowings	-	-	-	188.57	188.57	-
Trade and Other Payables	321.46	321.46	-	315.65	315.65	-
Other Financial Liabilities	33.88	33.88	-	21.78	21.78	-
Lease liabilities	3.49	2.39	1.10	7.95	4.45	3.50
Other Current Liabilities	32.23	32.23	-	13.10	13.10	-

The Company has filed quarterly returns/statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

Name of the Banks	Quarter ended	Aggregate working capital limits sanctioned	Amount as per quarterly returns/statements	Amount as per books of account	Difference	Reasons for Difference
Kotak Mahindra Bank	June, 2021	510.00	626.03	546.24	79.79	Payments adjusted in books post submission of returns/statement
			231.40	424.92	(193.52)	1)Payments adjusted in books post submission of returns/statement 2)Adjustment for advances to suppliers not done
			283.41	257.93	25.48	Entries posted/adjustments made post submission to bankers
			142.03	133.05	8.98	Entries posted/adjustments made post submission to bankers
			339.16	354.40	(15.24)	Entries posted/adjustments made post submission to bankers
	September, 2021	510.00	559.51	548.05	11.46	Payments adjusted in books post submission of returns/statement
			266.96	449.45	(182.49)	1)Payments adjusted in books post submission of returns/statement 2)Adjustment for advances to suppliers not done
			265.79	244.21	21.58	Entries posted/adjustments made post submission to bankers
			127.41	102.21	25.20	Entries posted/adjustments made post submission to bankers
	December, 2021	510.00	467.74	375.10	92.64	Entries posted/adjustments made post submission to bankers
			757.13	758.01	(0.88)	Payments adjusted in books post submission of returns/statement
			225.72	515.31	(289.58)	1)Payments adjusted in books post submission of returns/statement 2)Adjustment for advances to suppliers not done
314.93			278.27	36.66	Entries posted/adjustments made post submission to bankers	
Kotak Mahindra Bank	March, 2022	510.00	129.45	122.79	6.66	Entries posted/adjustments made post submission to bankers
			428.72	268.41	160.31	Entries posted/adjustments made post submission to bankers
			1,131.04	1,177.97	(46.93)	Payments adjusted in books post submission of returns/statement
			365.89	487.64	(121.75)	1)Payments adjusted in books post submission of returns/statement 2)Adjustment for advances to suppliers not done
			611.01	569.89	41.12	Entries posted/adjustments made post submission to bankers
273.47	234.69	38.78	Entries posted/adjustments made post submission to bankers			
350.14	401.86	(51.72)	Entries posted/adjustments made post submission to bankers			

**(C) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.



**(i) Foreign Currency Risk**

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

	As at 30.06.2022			As at 31.03.2022		
	INR	EURO* (in Rupees)	USD* (in Rupees)	INR	EURO* (in Rupees)	USD* (in Rupees)
<b>Financial Assets</b>						
Trade Receivables	927.32	-	419.08	866.80	-	338.03
<b>Total</b>	<b>927.32</b>	<b>-</b>	<b>419.08</b>	<b>866.80</b>	<b>-</b>	<b>338.03</b>

<b>Financial Liabilities</b>						
Trade payables	289.43	3.79	175.24	293.83	-	213.01
<b>Total</b>	<b>289.43</b>	<b>3.79</b>	<b>175.24</b>	<b>293.83</b>	<b>-</b>	<b>213.01</b>

	As at 31.03.2021			As at 31.03.2020		
	INR	EURO* (in Rupees)	USD* (in Rupees)	INR	EURO* (in Rupees)	USD* (in Rupees)
<b>Financial Assets</b>						
Trade Receivables	596.62	-	166.67	746.81	4.05	63.81
<b>Total</b>	<b>596.62</b>	<b>-</b>	<b>166.67</b>	<b>746.81</b>	<b>4.05</b>	<b>63.81</b>

<b>Financial Liabilities</b>						
Trade payables	151.82	0.27	169.35	243.35	0.03	72.26
<b>Total</b>	<b>151.82</b>	<b>0.27</b>	<b>169.35</b>	<b>243.35</b>	<b>0.03</b>	<b>72.26</b>

\* Exposure of the Company in respect of the above mentioned Financial Asset and Financial Liabilities in Foreign Currency is unhedged.

The following significant exchange rates have been applied during the period.

Currency	Spot rate			
	As at 30.06.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
	USD	80.37	77.18	73.50
EURO	84.35	86.36	86.10	83.20

**Sensitivity analysis**

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

	As at 30.06.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	0.61	(0.61)	0.31	(0.31)	(0.01)	0.01	0.01	(0.01)
EURO	(0.01)	0.01	-	-	(0.00)	0.00	-	-

**(D) Cash flow and fair value interest rate risk**

**- Interest rate risk management:**

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. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives

As at June 30, 2022, March 31, 2022 and March 31, 2021 the Company does not have any loan facilities. Financial Assets are on fixed interest rates, hence the Company is not exposed to interest rate risk. In respect of 31.03.2020 The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

**- Price Risk**

The Company's exposure to price risk arises from investment in Quoted shares in the balance sheet as fair value through profit and loss. Quoted investments are susceptible to market price risk, mainly arising from changes in market yields which may impact the return and value of such investments. The Company manages these risks by investing in a diverse portfolio of reputable securities.

**(E) Risk due to outbreak of COVID 19 pandemic**

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

**44 Capital management**

**(a) Risk management**

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

For Debt – Equity Ratio, refer Note 48.

**45 First-time adoption of Ind AS**

Refer basis of preparation and presentation in Note 1.2 in relation to the transition date for the purpose of first time adoption of Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the Restated Financial Information.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A. Optional Exemptions**

**(i) Deemed Cost**

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

**(ii) Designation of previously recognised financial instruments**

Financial assets and financial liabilities are classified at fair value based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS and not from the date of initial recognition.

**(iii)** Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

**B. Applicable Mandatory Exceptions**

**(i) Estimates:**

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**(ii) Derecognition of financial assets and financial liabilities**

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

**(iii) Classification and Measurement of Financial Assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**(iv) Impairment of financial assets**

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without under cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i)** Reconciliation of Statement of total Comprehensive Income for the year ended 31.03.2021 & 31.03.2020
- (ii)** Reconciliation of Equity as at 31.03.2021 & 31.03.2020

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

**I. Reconciliation of Balance sheet as at 01.04.2019**

*(Rs. in millions)*

	Regrouped Previous GAAP	Prior Period Adjustments	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	273.95	-	-	273.95
Right of Use Assets	-	33.50	11.38	44.88
Capital work-in-progress	97.87	(33.50)	-	64.37
Investment Property	43.85	-	-	43.85
Intangible Assets	1.05	-	-	1.05
Financial Assets				
Investments	5.96	-	-	5.96
Other Financial Assets	14.11	-	(0.29)	13.82
Deferred Tax Assets (Net)	(3.73)	2.11	3.21	1.59
Other Non-current assets	3.07	-	0.23	3.29
<b>Total Non Current Assets</b>	<b>436.13</b>	<b>2.11</b>	<b>14.53</b>	<b>452.76</b>
<b>Current Assets</b>				
Inventories	66.93	-	-	66.93
Financial Assets				
Investments	78.56	-	11.47	90.03
Trade Receivables	724.75	-	(3.62)	721.13
Cash and Cash Equivalents	1.87	-	-	1.87
Other Balances with Banks	22.35	-	-	22.35
Other Financial Assets	1.24	-	-	1.24
Other Current Assets	52.07	-	0.05	52.12
<b>Total Current Assets</b>	<b>947.77</b>	<b>-</b>	<b>7.90</b>	<b>955.67</b>
<b>Total Assets</b>	<b>1,383.90</b>	<b>2.11</b>	<b>22.43</b>	<b>1,408.43</b>

**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**  
**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**EQUITY AND LIABILITIES**

**EQUITY**

Equity Share Capital	57.50	-	-	57.50
Other Equity	692.40	(5.14)	10.54	697.80
<b>Total Equity</b>	<b>749.90</b>	<b>(5.14)</b>	<b>10.54</b>	<b>755.30</b>

**LIABILITIES**

**Non-Current Liabilities**

<b>Financial Liabilities</b>				
Borrowings	71.70	-	-	71.70
Lease Liabilities	-	-	7.95	7.95
Provisions	-	6.80	-	6.80
Deferred Tax Liabilities (Net)	-	-	-	-
<b>Total Non Current Liabilities</b>	<b>71.70</b>	<b>6.80</b>	<b>7.95</b>	<b>86.45</b>

**Current Liabilities**

<b>Financial liabilities</b>				
Borrowings	170.44	-	-	170.44
Lease Liabilities	-	-	3.94	3.94
Trade Payables	-	-	-	-
Total outstanding dues of micro and small enterprises	17.53	-	-	17.53
Total outstanding dues of creditors other than micro and small enterprises	315.96	-	-	315.96
Other Financial Liabilities	20.37	-	-	20.37
Other Current Liabilities	4.58	-	-	4.58
Provisions	-	0.44	-	0.44
Current Tax Liabilities (Net)	33.43	-	-	33.43
<b>Total Current Liabilities</b>	<b>562.30</b>	<b>0.44</b>	<b>3.94</b>	<b>566.69</b>

<b>Total Liabilities</b>	<b>634.00</b>	<b>7.24</b>	<b>11.89</b>	<b>653.14</b>
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<b>Total Equity and Liabilities</b>	<b>1,383.90</b>	<b>2.11</b>	<b>22.43</b>	<b>1,408.44</b>
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**II. A Reconciliation of Balance sheet as at 31.03.2020**

*(Rs. in millions)*

	Regrouped Previous GAAP	Prior Period Adjustments	Ind AS adjustments	Ind AS
<b><u>ASSETS</u></b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	242.21	-	-	242.21
Right of Use Assets	18.04	33.50	7.25	58.80
Capital work-in-progress	103.62	(33.50)	-	70.12
Investment Property	43.85	-	-	43.85
Intangible Assets	0.64	-	-	0.64
<b>Financial Assets</b>				
Investments	9.88	-	-	9.88
Other Financial Assets	14.03	-	(1.76)	12.27
Deferred Tax Assets (Net)	-	-	-	-
Other Non-current assets	10.11	-	1.13	11.24
<b>Total Non Current Assets</b>	<b>442.38</b>	<b>-</b>	<b>6.62</b>	<b>449.00</b>
<b><u>Current Assets</u></b>				
Inventories	130.06	17.16	-	147.22
<b>Financial Assets</b>				
Investments	76.80	-	(10.53)	66.28
Trade Receivables	814.67	-	(4.07)	810.60
Cash and Cash Equivalents	11.60	-	-	11.60
Other Balances with Banks	19.07	-	-	19.07
Other Financial Assets	7.43	-	-	7.43
Other Current Assets	105.50	-	0.53	106.03
<b>Total Current Assets</b>	<b>1,165.13</b>	<b>17.16</b>	<b>(14.07)</b>	<b>1,168.23</b>
<b>Total Assets</b>	<b>1,607.51</b>	<b>17.16</b>	<b>(7.45)</b>	<b>1,617.23</b>

**SURVIVAL TECHNOLOGIES LIMITED**  
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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**EQUITY AND LIABILITIES**

**EQUITY**

Equity Share Capital	57.50	-	-	57.50
Other Equity	915.98	6.92	(17.45)	905.45
<b>Total Equity</b>	<b>973.48</b>	<b>6.92</b>	<b>(17.45)</b>	<b>962.95</b>

**LIABILITIES**

**Non-Current Liabilities**

Financial Liabilities				
Borrowings	4.44	-	-	4.44
Lease Liabilities	-	-	3.50	3.50
Provisions	-	7.56	1.61	9.16
Deferred Tax Liabilities (Net)	3.61	2.18	0.45	6.24
<b>Total Non Current Liabilities</b>	<b>8.05</b>	<b>9.74</b>	<b>5.56</b>	<b>23.34</b>

**Current Liabilities**

Financial liabilities				
Borrowings	215.52	-	-	215.52
Lease Liabilities	-	-	4.45	4.45
Trade Payables				
Total outstanding dues of micro and small enterprises	6.80	-	-	6.80
Total outstanding dues of creditors other than micro and small enterprises	308.85	-	-	308.85
Other Financial Liabilities	21.78	-	-	21.78
Other Current Liabilities	13.10	-	-	13.10
Provisions	-	0.50	-	0.50
Current Tax Liabilities (Net)	59.94	-	-	59.94
<b>Total Current Liabilities</b>	<b>625.99</b>	<b>0.50</b>	<b>4.45</b>	<b>630.94</b>

<b>Total Liabilities</b>	<b>634.05</b>	<b>10.24</b>	<b>10.01</b>	<b>654.28</b>
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<b>Total Equity and Liabilities</b>	<b>1,607.53</b>	<b>17.16</b>	<b>(7.45)</b>	<b>1,617.23</b>
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**II. B Reconciliation of Balance sheet as at 31.03.2021**

*(Rs. in millions)*

	Regrouped Previous GAAP	Prior Period Adjustments	Ind AS adjustments	Ind AS
<b><u>ASSETS</u></b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	238.92	-	-	238.92
Right of Use Assets	17.82	33.50	3.09	54.41
Capital work-in-progress	103.62	(33.50)	-	70.12
Investment Property	43.85	-	-	43.85
Intangible Assets	0.39	-	-	0.39
Financial Assets				
Investments	10.07	-	-	10.07
Other Financial Assets	19.29	-	(1.27)	18.02
Other Non-current assets	12.23	-	0.60	12.83
<b>Total Non Current Assets</b>	<b>446.20</b>	<b>-</b>	<b>2.42</b>	<b>448.61</b>
<b><u>Current Assets</u></b>				
Inventories	182.06	11.01	-	193.07
Financial Assets				
Investments	79.74	-	35.74	115.48
Trade Receivables	763.29	-	(4.07)	759.22
Cash and Cash Equivalents	73.06	-	-	73.06
Other Balances with Banks	229.72	-	-	229.72
Other Financial Assets	4.93	-	-	4.93
Other Current Assets	125.37	-	0.53	125.90
<b>Total Current Assets</b>	<b>1,458.17</b>	<b>11.01</b>	<b>32.20</b>	<b>1,501.38</b>
<b>Total Assets</b>	<b>1,904.36</b>	<b>11.01</b>	<b>34.62</b>	<b>1,949.99</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>EQUITY</u></b>				
Equity Share Capital	57.50	-	-	57.50
Other Equity	1,423.63	0.73	42.35	1,466.71
<b>Total Equity</b>	<b>1,481.13</b>	<b>0.73</b>	<b>42.35</b>	<b>1,524.21</b>

**SURVIVAL TECHNOLOGIES LIMITED**  
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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**LIABILITIES**

<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	-	-	-	-
Lease Liabilities	-	-	1.10	1.10
Provisions	5.76	9.42	(3.16)	12.02
Deferred Tax Liabilities (Net)	11.46	0.24	(8.06)	3.64
<b>Total Non Current Liabilities</b>	<b>17.22</b>	<b>9.66</b>	<b>(10.12)</b>	<b>16.76</b>
<b>Current Liabilities</b>				
Financial liabilities				
Borrowings	-	-	-	-
Lease Liabilities	-	-	2.39	2.39
Trade Payables				
Total outstanding dues of micro and small enterprises	8.41	-	-	8.41
Total outstanding dues of creditors other than micro and small enterprises	313.05	-	-	313.05
Other Financial Liabilities	33.88	-	-	33.88
Other Current Liabilities	32.23	-	-	32.23
Provisions	-	0.62	-	0.62
Current Tax Liabilities (Net)	18.44	-	-	18.44
<b>Total Current Liabilities</b>	<b>406.01</b>	<b>0.62</b>	<b>2.39</b>	<b>409.02</b>
<b>Total Liabilities</b>	<b>423.23</b>	<b>10.28</b>	<b>(7.74)</b>	<b>425.78</b>
<b>Total Equity and Liabilities</b>	<b>1,904.36</b>	<b>11.01</b>	<b>34.62</b>	<b>1,949.99</b>

(i) Reconciliation of Statement of Profit and Loss for the year ended 31.03.2020

(Rs. in millions)

Particulars	Regrouped Previous GAAP	Prior Period Adjustments	Ind AS adjustments	Ind AS
Revenue from Operations	1,991.46	-	-	1,991.46
Other Income	10.07	-	0.42	10.49
<b>Total Income (I)</b>	<b>2,001.53</b>	<b>-</b>	<b>0.42</b>	<b>2,001.95</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	1,202.44	-	-	1,202.44
Changes in inventories of finished goods and work-in-progress	(25.10)	(17.16)	-	(42.26)
Employee Benefits Expense	145.59	0.81	-	146.40
Finance Costs	22.31	-	1.07	23.38
Depreciation and Amortisation Expense	38.04	-	4.12	42.16
Other Expenses	317.84	-	17.98	335.82
<b>Total Expenses (II)</b>	<b>1,701.12</b>	<b>(16.35)</b>	<b>23.17</b>	<b>1,707.94</b>
Profit Before Tax (I-II)	<b>300.41</b>	<b>16.35</b>	<b>(22.75)</b>	<b>294.01</b>
<b>Tax Expense</b>				
(1) Current Tax	95.18	-	-	95.19
(2) Deferred Tax	(0.13)	4.29	4.13	8.29
(3) Current taxes relating to earlier years	(0.01)	-	-	(0.01)
<b>Profit for the period</b>	<b>205.35</b>	<b>12.06</b>	<b>(26.88)</b>	<b>190.54</b>
<b>Other Comprehensive Income (OCI)</b>				
Items that will not be reclassified to profit or loss				
- Gain/(Loss) on remeasurement of defined benefit plans	-	-	(1.61)	(1.61)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	-	-	0.47	0.47
Total Other comprehensive income (Net of Tax)	-	-	<b>(1.14)</b>	<b>(1.14)</b>
<b>Total Comprehensive Income for the Period</b>	<b>205.35</b>	<b>12.06</b>	<b>(28.02)</b>	<b>189.39</b>

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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**(ii) Reconciliation of Statement of Profit and Loss for the year ended 31.03.2021**

*(Rs. in millions)*

Particulars	Regrouped Previous GAAP	Prior Period Adjustments	Ind AS adjustments	Ind AS
Revenue from Operations	2,747.90	-	-	2,747.90
Other Income	48.90	-	46.75	95.65
<b>Total Income (I)</b>	<b>2,796.80</b>	<b>-</b>	<b>46.75</b>	<b>2,843.55</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	1,545.78	-	-	1,545.78
Changes in inventories of finished goods and work-in-progress	7.05	6.15	-	13.20
Employee Benefits Expense	169.05	0.39	-	169.44
Finance Costs	9.25	-	0.71	9.96
Depreciation and Amortisation Expense	32.96	-	4.16	37.12
Other Expenses	327.63	-	(4.64)	322.99
<b>Total Expenses (II)</b>	<b>2,091.72</b>	<b>6.54</b>	<b>0.23</b>	<b>2,098.49</b>
Profit Before Tax (I-II)	<b>705.08</b>	<b>(6.54)</b>	<b>46.52</b>	<b>745.06</b>
<b>Tax Expense</b>				
(1) Current Tax	183.80	-	-	183.80
(2) Deferred Tax	7.57	(1.65)	(7.86)	(1.94)
(3) Current taxes relating to earlier years	-	-	-	-
<b>Profit for the period/year</b>	<b>513.71</b>	<b>(4.89)</b>	<b>54.38</b>	<b>563.20</b>
<b>Other Comprehensive Income (OCI)</b>				
Items that will not be reclassified to profit or loss				
- Gain/(Loss) on remeasurement of defined benefit plans	-	-	(2.59)	(2.59)
- Income tax (expense) / benefit related to items that will not be reclassified to Profit and loss	-	-	0.65	0.65
Total Other comprehensive income (Net of Tax)	-	-	(1.94)	(1.94)
<b>Total Comprehensive Income for the Period/year</b>	<b>513.71</b>	<b>(4.89)</b>	<b>52.44</b>	<b>561.26</b>

**III Reconciliation of Equity**

*(Rs. in millions)*

Particulars	Note	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Total equity under local GAAP</b>		<b>1,481.13</b>	<b>973.48</b>	<b>749.90</b>
Prior Period Adjustments		0.73	6.92	(5.13)
<b>Total equity under local GAAP (adjusted)</b>		<b>1,481.87</b>	<b>980.40</b>	<b>744.77</b>
<b>Adjustments impact: Gain/ (Loss)</b>				
Provision for expected credit loss	<b>B</b>	(4.07)	(4.07)	(3.62)
Fair valuation of financial asset - Investments through FVTOCI	<b>A</b>	-	-	-
Fair valuation of financial asset - Investments through Amortised cost	<b>A</b>	-	-	-
Fair valuation of financial asset - Investments through FVTPL	<b>A</b>	35.74	(10.53)	11.47
Remeasurement of defined benefit plans	<b>C</b>	(2.59)	(1.61)	-
Reversal of proposed ordinary dividends payable	<b>E</b>	5.75	-	-
Depreciation, amortisation and impairment on immovable property	<b>G</b>	(4.16)	-	-
Recognition of Rights to Use Assets	<b>G</b>	7.26	7.26	11.39
Lease Liability	<b>G</b>	(3.50)	(7.95)	(11.89)
Unwinding of Security Deposit	<b>G</b>	0.60	1.13	0.23
Fair Valuation of Security Deposit	<b>G</b>	0.53	0.53	0.05
Amortisation of Rent	<b>G</b>	(1.27)	(1.76)	(0.29)
Deferred tax Impact	<b>D</b>	8.06	(0.45)	3.21
<b>Total IND AS adjustment</b>		<b>42.35</b>	<b>(17.45)</b>	<b>10.54</b>
<b>Total equity under Ind AS</b>		<b>1,524.21</b>	<b>962.95</b>	<b>755.31</b>

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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

**III B Reconciliation of Total Comprehensive Income**

*(Rs. in millions)*

Particulars	Note	Year	
		2020-21	2019-20
<b>Profit after tax under local GAAP</b>		<b>513.71</b>	<b>205.35</b>
Prior Period Adjustments		(4.89)	12.06
<b>Profit after tax under local GAAP (adjusted)</b>		<b>508.82</b>	<b>217.40</b>
<b>Adjustments Gain/ (Loss)</b>			-
Return on Investment	A	5.18	(4.53)
Fair valuation of financial asset - Investments through FVTPL	A	41.09	(17.46)
Depreciation, amortisation and impairment on immovable property	G	(4.16)	(4.12)
Provision for Gratuity & Provision for Compensated Absence	C	-	-
Interest Income on Deposit	G	0.49	0.42
Amortisation of Rent Expenses	G	4.64	4.48
Interest expenses on Account of Lease Liability	G	(0.72)	(1.07)
Other Expenses - Provision for expected credit loss	B	-	(0.45)
Deferred tax Impact	D	7.86	(4.13)
<b>Total Adjustments</b>		<b>54.38</b>	<b>(26.86)</b>
<b>Profit after tax as per Ind-AS</b>		<b>563.20</b>	<b>190.54</b>
Other comprehensive income (net of taxes)	F	1.94	1.14
<b>Total comprehensive income as per Ind AS</b>		<b>561.26</b>	<b>189.40</b>

**Note on Prior Period Adjustments:**

- i Until 31.03.2021, the Company was recognising the expenditure of Gratuity and Leave encashment on payment basis which was not in accordance with the relevant accounting standard. The Company has during the year complied with the relevant accounting standard and has now recorded the appropriate adjustments.
- ii Until 31.03.2021, the basis of absorption of overheads on the Inventory value was not in accordance with the relevant accounting standard. During the current year, the Company has complied with the relevant accounting standard and has now recorded the appropriate adjustments.
- iii Until 31.03.2021, the Company had shown certain Land as Capital work-in-progress which has been now reclassified under Right of Use Assets.

**IV** On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2022 or 31st March 2021, 31st March 2020.

**V Notes to reconciliations:**

**A Investments**

Under previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, financial assets representing investments in equity shares of other entities other than subsidiaries, joint venture and associates have been fair valued. The Company has designated such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized in retained earnings as at the date of transition and subsequently in the profit & loss account for the year ended March 31, 2021.

**B Trade receivables**

Under Previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

**C Remeasurement of defined benefit liabilities**

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under Statement of Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

**D Deferred Tax**

Under Previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done 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.

Pursuant to Ind AS requirements, credit for Minimum Alternate Tax (MAT) is reclassified as deferred tax assets. Under I-GAAP the same was presented as part of taxes paid.

**E Proposed dividend including dividend distribution tax**

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividends including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

**F Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in the year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income or expense that are not recognised in the Statement of Profit and Loss but are shown in statement of profit and loss as "Other Comprehensive Income" includes remeasurement of defined benefit plans and fair value through OCI. The concept of Other Comprehensive Income did not exist under previous GAAP.

**G Lease Accounting**

**Assets taken on lease:**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised initially at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS and subsequently measured at amortised cost.

**Short-term leases and leases of low-value assets:**

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

**H The previous year I-GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.**



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**Note 46 : Expenditure on Research & Development**

The Company has approval from department of scientific and Industrial research for in House R&D w.e.f 01.04.2016. The Company have incurred following expenditure on Research & Development for the period ended 30.06.2022

(Rs. in millions)

Particulars	Quarter ended June 22	FY 2021-22	FY 2020-21	FY 2019-20
i) Salaries & Wages	4.37	11.18	11.91	10.30
ii) Material, Consumable and Spares	0.28	0.90	0.96	2.90
iii) Other Revenue Expenditure	0.99	0.87	0.05	0.16
iv) Capital Expenditure Other than Land and Building	39.80	20.09	0.09	0.70

**Note 47 : Details of guarantee given covered u/s 186 (4) of the Companies Act, 2013**

Corporate Guarantees have been given for business purpose. No loan has been availed by Rudra Speciality Chem Private Limited in relation to the guarantees given by Company

**Note 48 : Key Financial Ratios**

Sr. No.	Particulars	Numerator	Denominator	Quarter ended June 22	FY 2021-22	% variance
1	Current Ratio	Current Assets	Current Liabilities	4.17	3.94	6.02%
2	Debt – Equity Ratio	Borrowings + Lease Liabilities	Total Equity	0.02	0.02	-11.82%
3	Debt Service Coverage Ratio (Note a below)*	Profit after Tax + Finance Costs + Depreciation and Amortisation + Non Cash Items	Finance Costs + Repayment of Borrowings and Lease Liabilities	51.48	59.62	-13.66%
4	Return on Equity (ROE)*	Profits after Tax	Average Total Equity	41.85%	38.90%	7.59%
5	Inventory Turnover Ratio*	Sales	Average Inventory	8.65	10.25	-15.57%
6	Trade receivables turnover ratio*	Net Credit Sales	Average Trade receivables	3.12	3.11	0.24%
7	Trade payables turnover ratio*	Net Credit Purchases of Raw Material and Packing Material	Average Trade payables	4.63	4.13	11.94%
8	Net capital turnover ratio*	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	2.10	1.84	14.42%
9	Net profit ratio	Profit after Tax	Revenue from Operations	24.87%	23.56%	5.57%

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**Annexure VII : Notes to the Restated Ind AS Summary Statements**

10	Return on capital employed (ROCE) (Note b below)*	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Capital Employed [Total Equity + Total Debt (Borrowings)]	55.50%	43.13%	28.69%
11	Return on investment (ROI) (Note c below)*	Income earned on Investments	Average investments	-46.77%	15.29%	-406.00%

\* Annualised

Note :

- a Improvement in Profitability with low debt.
- b Improvement in Profitability.
- c Impact of Market dynamics

Sr. No.	Particulars	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance
1	Current Ratio	Current Assets	Current Liabilities	3.94	3.67	7.26%
2	Debt – Equity Ratio	Borrowings + Lease Liabilities	Total Equity	0.02	0.00	0%
3	Debt Service Coverage Ratio (Note a below)	Profit after Tax + Finance Costs + Depreciation and Amortisation + Non Cash Items	Finance Costs + Repayment of Borrowings and Lease Liabilities	59.62	41.33	44.25%
4	Return on Equity (ROE):	Profits after Tax	Average Total Equity	38.90%	45.29%	-14.12%
5	Inventory Turnover Ratio (Note b below)	Sales	Average Inventory	10.25	16.01	-36.01%
6	Trade receivables turnover ratio (no. of days)	Net Credit Sales	Average Trade receivables	3.11	3.47	-10.31%
7	Trade payables turnover ratio (no. of days)	Net Credit Purchases of Raw Material and Packing Material	Average Trade payables	4.13	5.04	-17.96%
8	Net capital turnover ratio (Note c below)	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	1.84	2.52	-26.91%
9	Net profit ratio	Profit after Tax	Revenue from Operations	23.56%	20.50%	14.96%
10	Return on capital employed (ROCE)	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Capital Employed [Total Equity + Total Debt (Borrowings)]	43.13%	49.49%	-12.85%
11	Return on investment (ROI) (Note d below)	Income earned on Investments	Average investments	15.29%	62.23%	-75.44%

Note :

- a Improvement in Profitability with low debt.
- b Inventory has increased to cater to Orders in hand and targeted Sales for the future period.
- c Increase in Profits have led to increase in working capital resulting in consequent decline in Net Capital Turnover ratio.
- d Impact of Market dynamics

Sr. No.	Particulars	Numerator	Denominator	FY 2020-21	FY 2019-20	% variance
1	Current Ratio (Note a below)	Current Assets	Current Liabilities	3.67	1.85	98%
2	Debt – Equity Ratio (Note b below)	Total Debt (Borrowings)	Total Equity	0.00	0.24	-99%

**SURVIVAL TECHNOLOGIES LIMITED****(Formerly Known as Survival Technologies Private Limited)****Annexure VII : Notes to the Restated Ind AS Summary Statements**

3	Debt Service Coverage Ratio (Note b below)	Profit after Tax + Finance Costs + Depreciation and Amortisation + Non Cash Items	Finance Costs + Repayment of Borrowings and Lease Liabilities	41.33	10.28	302%
4	Return on Equity (ROE) (Note c below)	Profits after Tax	Average Total Equity	45.29%	21.95%	106%
5	Inventory Turnover Ratio	Sales	Average Inventory	16.01	18.41	-13%
6	Trade receivables turnover ratio (no. of days) (Note d below)	Net Credit Sales	Average Trade receivables	3.47	2.57	35%
7	Trade payables turnover ratio (no. of days) (Note e below)	Net Credit Purchases of Raw Material and Packing Material	Average Trade payables	5.04	3.82	32%
8	Net capital turnover ratio (Note f below)	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	2.52	3.71	-32%
9	Net profit ratio (Note g below)	Profit after Tax	Revenue from Operations	20.50%	9.57%	114%
10	Return on capital employed (ROCE) (Note h below)	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Capital Employed [Total Equity + Total Debt (Borrowings)]	49.49%	32.85%	51%
11	Return on investment (ROI) (Note i below)	Income earned on Investments	Average investments	62.23%	-34.09%	-283%

Note :

- a Improvement in working capital management and internal accruals have led to improvement in current ratio
- b Improvement in Profitability with reduction in borrowings.
- c Increase in Sales and Profitability.
- d Improvement in receivables management
- e Improvement in cash flow resulting in improvement in Payables management
- f Increase in Profits have led to increase in working capital resulting in consequent decline in Net Capital Turnover ratio.
- g Increase in sales of higher margin product portfolio.
- h Improvement in Profitability.
- i Impact of Market dynamics

**Note 49 : Relationship with Struck off Companies**

The Company does not have any transactions and balances with companies which are struck off.

**Note 50 : Additional Regulatory Information required by Schedule III to the Companies Act, 2013**

- i The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority
- iii The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- iv Utilisation of borrowed funds and share premium
  - I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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- ii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- v There is no income surrendered or disclosed as income during the year/period in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- vi The Company has not traded or invested in crypto currency or virtual currency during the year/period.
- vii The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

**Note 51 : Events after the reporting period:**

- a Pursuant to a resolution of Board of Directors dated June 17, 2022 and the shareholders meeting dated July 18, 2022, the Company approved to split each equity share of face value to Rs. 10 each into 5 equity shares of face value of Rs. 2 each. Accordingly, the issued, subscribed and paid-up capital of the Company was subdivided from 57,50,000 equity shares of face value of Rs. 10 each to 2,87,50,000 equity shares of face value of Rs. 2 each.
- (i) Approved increase in authorized share capital of the company from Rs. 10,00,00,000 consisting of 5,00,00,000 Equity Shares of Rs. 2/- each to Rs. 24,00,00,000 consisting of 12,00,00,000 Equity Shares of Rs. 2/- each.
  - (ii) Approved the issuance of 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up equity share of face value ₹ 2 each.
  - (iii) The Company is proposing to undertake an initial public offering of its equity shares of face value of ₹ 2 each.
  - (iv) The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

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- b The Board of Directors in their meeting held on September 15, 2022 , proposed a final equity dividend of Rs. 0.2 per equity share of Rs. 2 each fully paid up for the financial year 2021-22. The final dividend was authorized by the shareholders in their Annual General Meeting dated September 18, 2022.

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No.  
324982E/E300003

**For LODHA & COMPANY**  
Chartered Accountants  
ICAI Firm Registration No.  
301051E

**For and on behalf of Board of Directors of**  
**SURVIVAL TECHNOLOGIES LIMITED**  
**(Formerly Known as Survival Technologies Private Limited)**

**Ravi Bansal**  
Partner  
Membership No. 049365  
Place : Mumbai  
December 20, 2022

**R.P. Baradiya**  
Partner  
Membership No. 44101  
Place : Mumbai  
December 20, 2022

Vijaykumar Agrawal  
Chairman and Whole time  
director  
DIN: 01710632  
Place : Mumbai  
December 19, 2022

Nimai Agrawal  
Managing Director and  
Chief Executive Officer  
DIN: 01501234  
Place : Dubai  
December 19, 2022

Dinesh Bhalotia  
Chief Financial Officer  
Place : Dubai  
December 19, 2022

Reena Yadav  
Company Secretary  
Membership No. A36429  
Place : Mumbai  
December 19, 2022

## OTHER FINANCIAL INFORMATION

### Accounting ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at June 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Earnings per Equity Share (basic) <sup>(1)</sup> (in ₹ million)	2.88*	8.52	6.53	2.21
Earnings per Equity Share (diluted) <sup>(2)</sup> (in ₹ million)	2.88*	8.52	6.53	2.21
Net worth <sup>(3)</sup> (in ₹ million)	2,502.83	2,253.22	1,524.21	962.95
RoE <sup>(4)</sup>	9.94%*	32.60%	36.95%	19.79%
Net Asset Value per Equity Share (in ₹ million) <sup>(5)</sup>	29.02	26.12	17.67	11.16
EBITDA <sup>(6)</sup> (in ₹ million)	328.65	919.02	696.49	349.06

\* Not annualised

Notes:

(1) Basic EPS amounts are calculated by dividing the profit for the period/ year attributable to equity holders by the weighted average number of equity shares outstanding during the period/ year.

Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 Equity Shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up Equity Share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33.

(2) Diluted EPS amounts are calculated by dividing the profit for the period/ year attributable to equity holders by the weighted average number of equity shares outstanding during the period/year.

Pursuant to a resolution of Board of Directors dated June 17, 2022 and Shareholders meeting dated July 18, 2022, our Company approved to split each equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 5,750,000 equity shares of face value of ₹ 10 each to 28,750,000 Equity Shares of face value of ₹ 2 each. Our Company issued 2 bonus shares of face value ₹ 2 each for every 1 existing fully paid-up Equity Share of face value ₹ 2 each. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33.

(3) Net worth amounts are calculated as sum of equity share capital and other equity.

(4) Calculated as profit after tax for the year / period divided by total equity.

(5) Calculated as total equity divided by weighted average number of equity shares outstanding during the respective year / period.

(6) Calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income.

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for Fiscals 2022, 2021 and 2020 (collectively, the “**Audited Financial Statements**”) are available on our website at <http://survivaltechnologies.in/investor-relations>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their 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.

### **Non-GAAP measures**

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures disclosed in financial statements and prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information disclosed in financial statements and presented in accordance with Ind AS. Non-GAAP financial information are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible and these measures may be different from similarly titled Non-GAAP measures used by other companies. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Non-GAAP financial measures are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Our Non-GAAP financial measures are not a measurement of financial performance or liquidity under these accounting standards and should not be construed in isolation or construed as an alternative to cash flows, restated loss for the period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated from our operating, investing or financing activities, derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure disclosed in financial statements. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business. For further details, please see *“Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate. not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies”* on page 65.

## Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are as set out below:

### Reconciliation of Total Equity to Net Asset Value per Equity Share

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
<b>Total Equity [A]</b>	2,502.83	2,253.22	1,524.21	962.95
Weighted average number of equity shares considered after split and bonus of shares into ₹ 2 each [B]	8,62,50,000	8,62,50,000	8,62,50,000	8,62,50,000
<b>Net Asset Value per Equity Share [C=A/B]</b>	<b>29.02</b>	<b>26.12</b>	<b>17.67</b>	<b>11.16</b>

### Reconciliation of Profit for the period / year to EBITDA

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Profit for the period / year [R]	248.79	734.62	563.20	190.54
Add: Tax expense as per Statement of Profit and Loss [D]	99.39	235.83	181.86	103.48
Add: Finance Costs [E]	1.82	5.41	9.96	23.38
Add: Depreciation and Amortisation expenses [F]	13.51	42.07	37.12	42.16
Less: Other Income [G]	34.86	98.91	95.65	10.49
<b>EBITDA [H=R+D+E+F-G]</b>	<b>328.65</b>	<b>919.02</b>	<b>696.49</b>	<b>349.06</b>

### Reconciliation of EBITDA to EBITDA Margin

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
EBITDA [H]	328.65	919.02	696.49	349.06
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46
<b>EBITDA Margin [J=H/I]</b>	<b>32.86%</b>	<b>29.48%</b>	<b>25.35%</b>	<b>17.53%</b>

### Reconciliation of Profit for the period / year to Return on Capital Employed (RoCE)

Particulars	June 2022* (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Profit for the period / year [R]	248.79	734.62	563.20	190.54
Tax expense as per Statement of Profit and Loss [D]	99.39	235.83	181.86	103.48
Finance Costs [E]	1.82	5.41	9.96	23.38
<b>EBIT** [K=R+D+E]</b>	<b>350.00</b>	<b>975.86</b>	<b>755.02</b>	<b>317.40</b>
Total Equity [A]	2,502.83	2,253.22	1,524.21	962.95
Non-current liabilities [NC]	41.11	42.94	16.76	23.34
<b>Return on Capital Employed (RoCE) [L=K/(A+NC)]</b>	<b>13.76%</b>	<b>42.50%</b>	<b>49.00%</b>	<b>32.18%</b>

\*Not Annualised

\*\* EBIT (Earning before interest and tax) is calculated as Profit for the period / year plus Tax expense as per Statement of Profit and Loss plus Finance Costs

### Reconciliation of Revenue from Operations to Gross Profit

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46



Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Cost of Materials Consumed [M]	437.22	1,582.49	1,545.78	1,202.44
Purchase of Traded Goods [N]	11.60	-	-	-
Changes in inventories of finished goods and work-in-progress [O]	3.55	(79.63)	13.20	(42.26)
<b>Gross Profit [P=I-M-N-O]</b>	<b>547.83</b>	<b>1,614.96</b>	<b>1,188.92</b>	<b>831.28</b>

#### Reconciliation of Gross Profit to Gross Profit Margin

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Gross Profit [P]	547.83	1,614.96	1,188.92	831.28
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46
<b>Gross Profit Margin [Q=P/I]</b>	<b>54.77%</b>	<b>51.80%</b>	<b>43.27%</b>	<b>41.74%</b>

#### Reconciliation of Profit for the period / year to Profit After Tax Margin

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Profit for the period [R]	248.79	734.62	563.20	190.54
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46
<b>Profit After Tax Margin = [R/I]</b>	<b>24.87%</b>	<b>23.56%</b>	<b>20.50%</b>	<b>9.57%</b>

#### Reconciliation of Profit for the period / year to Return on Equity

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Profit for the period [R]	248.79	734.62	563.20	190.53
Total Equity [S]	2,502.83	2,253.22	1,524.21	962.95
<b>Return on equity = [R/S]</b>	<b>9.94%</b>	<b>32.60%</b>	<b>36.95%</b>	<b>19.79%</b>

#### Reconciliation of Revenue from Contracts with Customers to Inventory Turnover Ratio

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Revenue from Contracts with Customers [T]	989.99	3,048.43	2,724.80	1,971.65
Inventory Opening [U]	401.86	193.07	147.22	66.93
Inventory Closing [V]	513.51	401.86	193.07	147.22
<b>Inventory Turnover Ratio = [T/(U+V)/2]</b>	<b>2.16</b>	<b>10.25</b>	<b>16.01</b>	<b>18.41</b>

#### Reconciliation of Revenue from Operations to Net Capital Turnover Ratio

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46
Current Assets [W]	2,501.06	2,273.25	1,501.38	1,168.23
Current Liabilities [X]	599.22	577.40	409.02	415.42
<b>Net Capital Turnover Ratio = [I/(W-X)]</b>	<b>0.53</b>	<b>1.84</b>	<b>2.52</b>	<b>2.65</b>

#### Reconciliation of Revenue from Operations to Fixed Assets Turnover Ratio

Particulars	June 2022 (in ₹ million)	March 2022 (in ₹ million)	March 2021 (in ₹ million)	March 2020 (in ₹ million)
Revenue from Operations [I]	1,000.20	3,117.82	2,747.90	1,991.46
Property, Plant and Equipment [Y]	356.03	292.66	238.92	242.21
Capital work-in-progress [Z]	42.01	86.38	70.12	70.12
<b>Fixed Assets Turnover Ratio = [I/(Y+Z)]</b>	<b>2.51</b>	<b>8.23</b>	<b>8.89</b>	<b>6.38</b>

## **Related Party Transactions**

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' read with the SEBI ICDR Regulations, for the three months ended June 30, 2022, Fiscals 2022, 2021 and 2020 and as reported in the Restated Financial Information, see "*Restated Financial Information – 38 Related party disclosures as per Ind AS 24*" on page 280.

## CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at June 30, 2022, derived from our Restated Financial Information and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Restated Financial Information*” and “*Risk Factors*” on pages 308, 233 and 33, respectively:

Particulars	Pre-Offer as at June 30, 2022	As adjusted for the Offer*
<i>(in ₹ million)</i>		
<b>Borrowings</b>		
Non-current borrowings (I)	Nil	[●]
Current borrowings (II)	Nil	[●]
<b>Total borrowings (III = I + II)</b>	Nil	[●]
<b>Equity</b>		
Equity share capital (IV)	57.50	[●]
Other equity (V)	2,445.33	[●]
<b>Total equity (VI = IV + V)</b>	<b>2,502.83</b>	[●]
<b>Non-current borrowings / total equity (I/IV)</b>	N.A.	[●]
<b>Total borrowings / equity (VII = III / VI)</b>	N.A.	[●]

\* The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence has not been furnished. To be updated upon finalization of the Offer Price.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Information on page 233. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2020, 2021 and 2022 and for the three months ended June 30, 2022 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Financial Information" on page 233.*

*Unless the context otherwise requires, in this section, references to "we", "us", or "our", "the Company" or "our Company" refers to Survival Technologies Limited. Additionally, refer to "Definitions and Abbreviations" on page 5 for certain terms used in this section.*

*Unless otherwise indicated or unless context requires otherwise, industry and market data used in this section has been derived from the report titled "Assessment of the heterocyclic and fluoroorganic compounds industries" dated December 23, 2022 (the "CRISIL Report") prepared and issued by CRISIL Limited, appointed pursuant to the engagement letter dated on August 18, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at <http://survivaltechnologies.in/investor-relations>. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose." on page 55. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 20.*

### OVERVIEW

We are a contract research and manufacturing services ("CRAMS") focused speciality chemical manufacturer in India. (Source: CRISIL Report) We are one of the leading CRAMS companies in India in terms of manufacturing of select chemical products as of March 31, 2022. (Source: CRISIL Report) We are engaged in the supply of specialty chemicals with multiple applications and many products we sell domestically are import substitutes that were formerly imported from China. (Source: CRISIL Report) We are one of the few speciality chemical manufacturers in India manufacturing select products from the heterocyclic and fluoro organic product groups for sale in India and globally. (Source: CRISIL Report) We engage with customers across their product lifecycles, i.e., providing extensive in-house research for development of products, commercial scale process development, and manufacture of commercial quantities of products. Between April 1, 2007 and March 31, 2022, we synthesized 677 products of which over 500 products have been commercially produced and sold to various customers across our export markets.

Our continued focus on R&D has been instrumental to the growth of our operations and has improved our ability to customize products for our customers as well as reduce our cost of material consumed while maintaining our margins. Our R&D capabilities and multiple manufacturing facilities have enabled us to develop core competencies in a number of chemistries in-house, including complex chemistries such as heterocyclic chemistry, hydrazide chemistry, macrocyclic ethers, trifluoromethylation, electrophilic and nucleophilic fluorination using various fluorination reagents. Our in-house capabilities towards developing complex chemistries have enabled us to develop a unique product portfolio which includes niche product groups such as heterocyclic and fluoro organic compounds, where we are the sole company in India making products such as 2-pyridyl tribromomethyl sulfone, 4-bromo benzene sulfonyl chloride, 5-bromo-2, 4-dichloro pyrimidine, cyclam and tempo on a commercial scale. (Source: CRISIL Report). We are also one of 12 manufacturers globally and the largest domestic producer of ethyl-3-dimethylaminopropyl carbodiimide and the only manufacturer globally of alpha tetralol (Source: CRISIL Report).

We undertake CRAMS for various international and domestic companies. Under such arrangements with customers, our R&D team develops products in our R&D laboratories for companies as per specifications provided by customers and we do not charge any development costs to customers, ensuring that proprietary information and

technical know-how associated with the R&D rests with our Company. Further, we undertake custom manufacturing for our customers from our existing product portfolio.

The table below provides details of our revenue from operations generated from CRAMS and other custom manufacturing in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Services Category	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)	Amount (₹ million) <sup>#</sup>	Percentage of Revenue from Operations (%)
CRAMS*	1,099.53	55.21%	1,506.36	54.82%	1,628.78	52.24%	445.20	44.51%
Other Custom Manufacturing**	872.12	43.79%	1,218.44	44.34%	1,419.65	45.53%	544.79	54.57%

\* Our contract research and manufacturing services represents end-to-end product development based on the request of a customer to develop such product which has not been manufactured by us prior to such request. We commence with understanding the chemistry to develop the engineering process required for the product and also manage its packaging and labelling once developed.

\*\* Other custom manufacturing represents manufacturing of products at the request of a customer based on their requirements and specifications from our existing portfolio of products.

# Does not include export incentives relating to CRAMS and/or other custom manufacturing as such information is not ascertainable.

We believe that our focus on identification of niche products, with limited competition, co-development with our customers coupled with our chemistry capabilities, have led to our market-leading position across several products.

Further, we have an extensive customer base and established strong relationships with a range of customers. As of June 30, 2022, we had served 201 customers. We believe that the diversification of our end-use customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business operations and prospects. Our key customers include multinational corporations such as Evonik Industries AG, Chori Co. Limited, BioSpectra Inc., LBB Specialities, Procos, MOEHS Iberica, S.L., Sumitomo Corporation, Synthetics USA, LLC, Alzchem Trostberg GmbH and domestic companies such as Lee Pharma Limited, MSN Laboratories Private Limited, Sai Life Sciences Limited, and Dr. Reddy's Laboratories.

We were one of the most profitable companies manufacturing speciality chemicals in India in Fiscal 2022 based on the analysis of the margins of Indian companies operating in the speciality chemicals industry. (Source: CRISIL Report) Our revenue from operations have grown at a CAGR of 25.12% from ₹ 1,991.46 million in Fiscal 2020 to ₹ 3,117.82 million in Fiscal 2022 and was ₹ 1,000.20 million in the three months ended June 30, 2022. Our profit for the period / year was ₹ 190.54 million, ₹ 563.20 million, ₹ 734.62 million and ₹ 248.79 million in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively. Our profit after tax margin was 9.57%, 20.50%, 23.56% and 24.87% in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, respectively.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income.

### ***Ability to undertake CRAMS and focus on research and development***

We undertake CRAMS for various multinational and domestic companies. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, revenue from operations from CRAMS was ₹ 1,099.53 million, ₹ 1,506.36

million, ₹ 1,628.78 million, and ₹ 445.20 million, respectively, which accounted for 55.21%, 54.82%, 52.24% and 44.51%, respectively of our revenue from operations in such years/period. We believe that our leading market position across several of our products is on account of our competencies and capabilities in chemistry and technology, which have helped us to optimize production, enhance yields and supply reliability relationships with our customers, continuous product and process improvisation and innovation led by our R&D capabilities. The niche and high value nature of the products we manufacture and supply is indicated by our average sales realizations. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our average sales realization (calculated as quantity of products sold divided by total domestic and export sales) per kilogram was ₹ 1,470.56, ₹ 1,509.85, ₹ 1,781.53 and ₹ 2,419.91, respectively. Through the sale of high value products, it is evident that our Company has a significantly higher realization per kilogram compared to our peers with focus on CRAMS (*Source: CRISIL Report*)

Our continued focus on R&D has been instrumental in the growth of our operations and has improved our ability to customize products for our customers as well as reduce our cost of goods while maintaining our margins. We undertake R&D to manufacture new products through complex chemistries and includes initial conceptualization to commercialization of a product. We have dedicated teams working on different research focuses. As of June 30, 2022, our research and development team consist of 30 employees. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of speciality chemicals and intermediates, and as a result, expanded our commercialized product portfolio. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our expenditure on research and development were ₹ 34.16 million, ₹ 44.07 million, ₹ 134.22 million and ₹ 104.10 million, respectively, accounting for 1.72%, 1.60%, 4.30% and 10.41% of our revenue from operations.

To develop our product pipeline, we commit substantial time, funds and other resources in R&D. In order to successfully expand our product portfolio, we consistently seek to design more innovative processes through our R&D team. The success of such R&D efforts are subject to various factors and may not achieve expected results within the anticipated timelines, or at all. As a result, our investment in R&D could result in higher costs without a proportionate increase in revenues. In addition, we must adapt to rapid changes in our industry due to customer requirements. We strive to keep our technology, facilities and machinery current with the latest international standards. The cost of implementing new technologies, and retaining our research staff affects our results of operations and cash flows.

### ***Production Capacities, Operational Efficiencies and Capacity Expansion***

We currently have three manufacturing facilities with two facilities located in Ankleshwar, Gujarat and one located in Sarigam, Gujarat. The following table sets out certain information regarding our manufacturing facilities:

S. No.	Name and address of the manufacturing facilities	Owned / Leased	Term
1.	Unit I Address: Plot no. 9110/1, 9111/1, GIDC Ankleshwar, Bharuch, Gujarat	Leased	99 years with effect from August 2, 2005
2.	Unit II Address: Plot no. C-1/B-7003, GIDC Ankleshwar, Bharuch, Gujarat	Leased	99 years with effect from March 16, 2009
3.	Unit III Address: Plot No. 1013, 1015, 1017, 1114, 1116, 1118 & 1120, Opp. L.S Chemical, GIDC, Sarigam, Nargol Road, Gujarat	Leased	89 years with effect from April 21, 2016

For further information, see "*Our Business – Manufacturing – Manufacturing Facilities*" on page 190.

Our production capabilities provide cost and operational efficiencies, and our scale of operations offers market knowledge, operational best practices, economies of scale, optimal investment planning, and capital expenditure.

Location	Products manufactured <sup>(1)</sup>	As of/ for the year ended											
		March 31, 2020			March 31, 2021			March 31, 2022			Three months ended June 30, 2022		
		Installed Capacity* <sup>(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation* <sup>(4)</sup> (%)	Installed Capacity* <sup>(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation* <sup>(4)</sup> (%)	Installed Capacity* <sup>(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation* <sup>(3)(4)</sup> (%)	Installed Capacity* <sup>(2)</sup> (MT)	Actual Production <sup>(3)</sup> (MT)	Capacity Utilisation* <sup>(4)</sup> (%)
Unit I, Ankleshwar, Gujarat <sup>(5)</sup>	Intermediates	500.00	301.39	60.20 %	500.00	325.39	65.08 %	500.00	87.00	17.41%	125.00	5.94	4.75%
Unit II, Ankleshwar, Gujarat <sup>(6)</sup>	Intermediates	50.00	19.88	39.76 %	50.00	21.54	43.08 %	50.00	23.56	47.12%	12.50	4.56	36.48 %
Unit III, Sarigam, Gujarat <sup>(7)</sup>	Intermediates	1,260.00	1,155.84	91.73 %	1,760.00 <sup>(8)</sup>	1,549.06	88.01 %	2,260.00 <sup>(8)</sup>	1,598.81	70.74%	565.00	416.07	73.64 %
<b>Total</b>		<b>1,810.00</b>	<b>1,477.11</b>	<b>81.61 %</b>	<b>2,310.00</b>	<b>1,896.00</b>	<b>82.08 %</b>	<b>2,810.00</b>	<b>1,709.45</b>	<b>60.83%</b>	<b>702.50</b>	<b>426.58</b>	<b>60.72 %</b>

<sup>a</sup>As certified by Chetan Kishore, Chartered Engineer, by certificate dated December 28, 2022.

- (1) All of our manufacturing facilities are capable of manufacturing a wide range of products depending on customer requirements and availability of raw materials, subject to compliance with relevant thresholds prescribed under the Consolidated Consent and Authorisation issued by the GPCB, which provides us with certain flexibility to manufacture a range of products.
- (2) Installed capacity represents the installed capacity as of the last date of the relevant fiscal period. Our installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice in the specialty chemicals industry, boiler capacities, and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include 365 working days in a year, at three shifts per day operating for 24 hours a day. In the table above, for the three months ended June 30, 2022, we have presented the unannualized installed capacity of the relevant manufacturing facility.
- (3) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal / period. Actual production in Unit I, Unit II and Unit III was impacted in the various Fiscals / periods as a result of certain closure notices issued by the GPCB which impacted our ability to continue manufacturing activities at the relevant facilities during such periods. For further information on such closure notices that disrupted our operations, see note (5), (6) and (7) below. However, even during the period that the application of the closure notice dated November 27, 2019 was in effect, for the period mid-April 2020 until March 3, 2021, we continued production activities at Unit I, and our actual production in Fiscal 2021 therefore reflects production during such period as well. For further information, see "Risk Factors – We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities." on page 38. Actual production in the three months ended June 30, 2022 is presented as actual quantum of production, and not on an annualized basis.
- (4) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant period, divided by the installed capacity of relevant manufacturing facility as at the end of the relevant Fiscal / period. In the table above, we have presented the capacity utilization of the relevant manufacturing facility for the three months ended June 30, 2022 on an unannualized basis.
- (5) The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to cease manufacturing activities and to close Unit I with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit I for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit I was operational for approximately 241 days and actual production

and capacity utilization for Unit I in Fiscal 2020 was accordingly lower than expected. During Fiscal 2021, although the November 27, 2019 closure notice continued to be in effect, we engaged in manufacturing operations during the period April 15, 2020 to March 3, 2021. We did not carry out manufacturing activities in Fiscal 2021 other than during such foregoing period, and our actual production and capacity utilization information for Fiscal 2021 was accordingly lower than expected. We again discontinued manufacturing operations between March 4, 2021 until July 8, 2021. Subsequently, GPCB imposed a fine of ₹ 0.25 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. Consequently, in Fiscal 2022, Unit I was operational approximately for 66 days between July 9, 2021 until September 15, 2021. The GPCB subsequently revoked the closure notice for a period of three months by way of a revocation order dated September 15, 2022 and we have made an application dated December 7, 2022 with the GPCB for permanent revocation of the closure notice which is currently pending. Unit I is currently operational and manufacturing operations are being undertaken at the facility.

- (6) The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to cease manufacturing activities and to close Unit II with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit II for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit II was operational for approximately 241 days and actual production and capacity utilization for Unit II in Fiscal 2020 was accordingly lower than expected. Subsequently, GPCB imposed a fine of ₹ 0.40 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. In subsequent periods, Unit II has continuously been undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. We have made an application dated December 10, 2022 with GPCB for permanent revocation of the closure notice which is currently pending.
- (7) On September 30, 2021, our Company received a closure notice issued by the GPCB prohibiting all manufacturing activity at Unit III as a result of the improper disposal of hazardous waste. Consequently, our manufacturing operations at Unit III were disrupted between October 1, 2021 and January 30, 2022. GPCB subsequently imposed a fine of ₹ 5.40 million on our Company and the September 30, 2021 closure notice was temporarily revoked for a period of three months by way of a revocation order dated January 24, 2022. Pursuant to an application made by our Company to the GPCB dated April 11, 2022, we continued to undertake manufacturing operations at Unit III following the three month period. Subsequently, the closure notice was permanently revoked by way of a revocation order dated September 3, 2022. Hence, actual production and capacity utilization information in Fiscal 2022 was adversely impacted due to disruption of manufacturing activities between October 1, 2021 and January 30, 2022.
- (8) We installed additional boilers and machinery at Unit III to enhance its production capacity and improve process efficiency for our manufacturing process primarily in the third quarter of Fiscal 2021 and second quarter of Fiscal 2022, respectively.

Information relating to our production capacity and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus has been certified by Chetan Kishore, Chartered Engineer, by way of a certificate dated December 28, 2022. Actual production levels and utilization rates may vary significantly from the capacity information of our manufacturing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information.

Further, our revenue from operations are dependent on our ability to fulfil the demand of our products to our customers. Accordingly, we are in the process to increase our annual capacity to manufacture products by establishing a new manufacturing facility at Mahad, Maharashtra. The proposed manufacturing facility and is expected to commence construction in the current Fiscal 2024 and will enable us to increase our installed capacity and is designed to be fungible providing us the competitive advantage of manufacturing products based on market demand.

For further information on our proposed capacity expansion plans, see “*Our Business – Strategies - Expand our manufacturing infrastructure with a new facility at Mahad, Maharashtra*” on page 185. A revival in domestic demand and continuing robust exports will spur a 50% year-on-year increase in the capital expenditure of specialty chemicals manufacturers in 2023 to ₹ 60,000 million to ₹ 62,000 million. (Source: CRISIL Report) As our planned capacity additions come into greater utilization and translate into commercial production in line with increased demand, it will result in an increase in our production volumes and consequent increase in our revenue from operations. Finally, we continue to realize cost savings through centralized deployment and management of engineering, maintenance, accounting and other support functions by applying our enterprise resource planning system and control mechanisms at the manufacturing facilities operated by us.

### ***Relationship with our customers***

We have established long-standing relationships with certain key customers. Customers served by us have grown from 387 customers in Fiscal 2020 to 434 customers served in Fiscal 2022 and were 201 customers in three months ended June 30, 2022. All of our top 20 customers that we have served as of June 30, 2022, have been associated with us for at least two years and with certain of such customers associated with us for over seven years. The demand from our customers, in particular our top 10 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 their customers, as well as general trends in the specialty chemicals industry.

We believe that the diversification of our customers across various industries has enabled us to minimize the impact of industry-specific disruptions on our business. It also ensures that our revenues are consistent across periods with our customers having different business or industry cycles. Further, we have low customer revenue concentration and our reliance on any single customer is limited.

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Customer Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	112.35	5.64%	217.99	7.93%	268.30	8.61%	174.04	17.40%
Top 5	386.29	19.40%	652.59	23.75%	779.25	24.99%	411.64	41.16%
Top 10	603.79	30.32%	962.14	35.01%	1104.66	35.43%	581.82	58.13%

\*Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal / period.

We believe that our responsiveness coupled with innovative and quality product offerings have enabled us to successfully establish our market presence and nurture customer relationships. The table below sets forth the number of new customers acquired by us in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Fiscal/Period	New Customers Acquired*
Fiscal 2020	13
Fiscal 2021	15
Fiscal 2022	10
Three months ended June 30, 2022	18

\* New customers acquired represent customers we have made sales to for the first time during the relevant Fiscal / period.

We expect that we will continue to be reliant on our major customers for the foreseeable future. Our customer relationships have helped us expand our product portfolio and geographic reach. Our active engagement with key customers ensures steady revenue, allowing us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. As a result, we are able to ensure a competitive cost structure to achieve sustainable growth and profitability.

Further, we do not have any long term supply agreement with our customers. We instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule which can range from a few weeks to a few months. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our inventories. Under our agreements with our customers, the purchase price typically includes the cost of, amongst others, raw materials, packaging, labour, utilities and taxes as well as a margin, and is mutually agreed upon between our customers and us. To the extent there is fluctuation in the price of raw materials, packaging, labour, utilities costs, our margins may be impacted.

#### **Cost and availability of raw materials**

Our ability to remain competitive, maintain costs and profitability depends significantly on our ability to source and maintain a stable and sufficient supply of materials and components at acceptable prices. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers globally and in India on spot contracts basis. As we typically do not enter into fixed-price agreements, we are subject to the risk of increases in the prices of raw materials. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material

prices and delivery delay. The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer.

The table below sets forth certain information relating to our raw materials suppliers in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Supplier Concentration*	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1	73.85	3.71%	155.53	5.66%	150.31	4.82%	174.59	17.45%
Top 3	163.33	13.58%	346.17	22.39%	381.59	24.11%	275.44	63.00%
Top 5	233.27	19.40%	476.85	30.85%	519.42	32.82%	321.03	73.43%
Top 10	366.63	30.49%	701.85	45.40%	807.83	51.05%	312.20	71.41%

\*Suppliers may vary across Fiscals / period and does not refer to the same supplier across all Fiscals / periods and depend on our specific requirements of raw materials which depends on the requirement of our customers in the relevant Fiscal / period.

In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, the cost of materials consumed was ₹ 1,202.44 million, ₹ 1,545.78 million, ₹ 1,582.49 million and ₹ 437.22 million, and represented 60.38%, 56.25%, 50.76% and 43.71%, respectively, of our revenue from operations. Our imported raw materials, amounted to ₹ 718.29 million, ₹ 1,098.43 million, ₹ 794.19 million and ₹ 235.26 million, and accounted for 57.90%, 68.45%, 46.37% and 42.59% of our total raw materials purchased in Fiscal 2020, 2021 and 2022 and in three months ended June 30, 2022, respectively. There has been a decline in the cost of materials consumed as a percentage of our revenue from operations, due to increase in sales of higher margin products.

Further, we also import certain raw materials from China. The table below sets forth details relating to cost of raw material imported from China as a percentage of our total raw materials purchased in, Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Particular	Fiscal 2020		Fiscal 2021		Fiscal 2022		For the three months ended June 30, 2022	
	Amount (₹ million)	Percentage of total Raw Materials Purchased (%)	Amount (₹ million)	Percentage of total Raw Materials Purchased (%)	Amount (₹ million)	Percentage of total Raw Materials Purchased (%)	Amount (₹ million)	Percentage of total Raw Materials Purchased (%)
Cost of Raw Material Imported from China	616.45	49.69%	939.61	58.55%	617.74	39.25%	230.84	41.79%

While raw materials we currently import from China are not restricted, given the trade tensions between India and China, there may be restrictions in terms of what products we may be able to import from China in future. In order to minimize the risk of relying on imported raw materials, the percentage of raw materials that we source domestically have been increasing in Fiscal 2020, 2021 and 2022. Further, we are also engaged in backward integration in synthesizing key raw materials which we typically import from outside India which enables us to manufacture key raw material which reduces our reliance on imports, third party supplies and logistics costs, providing us the flexibility to control our manufacturing processes and improve our operating margins.

#### **Foreign currency fluctuation**

Our financial statements are prepared in Indian Rupees. However, a portion of our revenue is generated from export of our products. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, we exported our products to 18, 19, 20 and 13 countries, respectively, with a majority share of our exports coming from regulated markets such as North America and Europe.

The table below provides a geographic split of our revenue from operations from domestic sales, and export sales and Deemed Exports, respectively, in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022:

Geography	Fiscal 2020		Fiscal 2021		Fiscal 2022		Three months ended June 30, 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
<i>Domestic</i>								
India – Domestic	1,152.27	57.86%	1,411.24	51.36%	1,725.83	55.35%	498.16	49.80%
<b>Total (A)</b>	<b>1,152.27</b>	<b>57.86%</b>	<b>1,411.24</b>	<b>51.36%</b>	<b>1,725.83</b>	<b>55.35%</b>	<b>498.16</b>	<b>49.80%</b>
<i>Exports<sup>(1)</sup></i>								
North America <sup>(2)</sup>	171.79	8.63%	339.50	12.35%	423.03	13.57%	230.89	23.09%
Europe <sup>(3)</sup>	306.33	15.38%	478.90	17.43%	515.91	16.55%	98.50	9.85%
China	7.93	0.40%	0.32	0.01%	18.68	0.60%	1.20	0.12%
Rest of Asia <sup>(4)</sup>	110.95	5.57%	53.52	1.95%	8.36	0.27%	20.04	2.00%
<b>Total (B)</b>	<b>597.00</b>	<b>29.98%</b>	<b>872.24</b>	<b>31.74%</b>	<b>965.98</b>	<b>30.99%</b>	<b>350.63</b>	<b>35.06%</b>
Deemed Exports <sup>(5)</sup> (C)	222.38	11.17%	441.33	16.06%	356.62	11.44%	141.21	14.12%
<b>Total (D) (B+C)</b>	<b>819.38</b>	<b>41.15%</b>	<b>1,313.57</b>	<b>47.80%</b>	<b>1,322.60</b>	<b>42.43%</b>	<b>491.89</b>	<b>49.18%</b>
<b>Total E (A + D)</b>	<b>1,971.65</b>	<b>99.01%</b>	<b>2,724.81</b>	<b>99.16%</b>	<b>3,048.43</b>	<b>97.78%</b>	<b>989.99</b>	<b>98.98%</b>

<sup>(1)</sup> Export does not include Deemed Exports.

<sup>(2)</sup> North America includes United States of America and Mexico. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(3)</sup> Europe includes Austria, Belgium, Switzerland, Czech Republic, England, France, Germany, Spain, Ireland, Italy, and Sweden. The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(4)</sup> Rest of Asia includes Japan, Malaysia, and United Arab Emirates (Dubai). The relevant jurisdictions to which we export our products may vary across different fiscal periods, depending on the requirements of our customers.

<sup>(5)</sup> Deemed Exports refers to sales to SEZ units, sales to export oriented units and high sea sales.

As a result, our results of operations are influenced by exchange rate fluctuations between foreign currencies of the markets in which we sell our products and the Indian Rupee. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations. A substantial majority of our sales are denominated in foreign currencies, principally U.S. dollars and Euro, and to an extent on other currencies applicable in the markets in which our products are sold.

Some of our expenditures, including raw materials costs and freight costs are also denominated in foreign currencies. We have not taken forward contracts, options, futures or other derivative instruments to manage our foreign currency risk. As a consequence, we are exposed to currency rate fluctuations between the Indian Rupee and US dollars. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Since we export our products and import some of our raw materials it helps us to naturally hedge our foreign currency exposure, however a devaluation of any of the foreign currencies against the Indian Rupee may result in reduction of our margins.

Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss.

### ***Tax incentives***

We currently avail benefits under certain export incentives including duty drawback. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, our export incentives were ₹ 19.81 million, ₹ 23.10 million, ₹ 69.39 million and ₹ 10.21 million, which constituted 0.99%, 0.84%, 2.23% and 1.02% of our revenue from operations, respectively. These incentives contribute to our results of operations and cash flows and a change in tax benefits and incentives available to us would likely affect our profitability.

### ***Competition***

We compete with different companies depending on the market and type of products. The specialty chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications, as well as various client and regulatory approvals that are required to be obtained. (Source: CRISIL Report). Some of our competitors are larger than us and have greater financial, manufacturing, research and development and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions. Our ability to negotiate price with our customers is also impacted by such competition. Our ability to compete as well as offer competitive prices of our manufactured products is dependent on our ability to manage conversion efficiencies and optimize our product portfolio. As we continue to expand our operations into new geographies, we will be continuing to be exposed to competition from newer players.

## **PRESENTATION OF FINANCIAL INFORMATION**

The Restated Financial Information have been compiled by the management of our Company from:

- (a) Audited interim Ind AS financial statements of our Company as at and for the three months ended June 30, 2022 prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India;
- (b) Audited Ind AS financial statements of our Company as at and for the years ended March 31, 2022 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India; and

The audited financial statements for the three months ended June 30, 2022 and for the years ended March 31, 2022 have been audited by our Joint Statutory Auditors.

- (c) Audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2021 and March 31, 2020 which were prepared by our Company after taking into the consideration the requirements of the SEBI letter.

The special purpose Ind AS financial statements for the years ended March 31, 2021 and March 31, 2020 have been audited by one of our Joint Statutory Auditors, Lodha & Co., Chartered Accountants.

The audited special purpose Ind AS financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed, as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the three months period ended June 30, 2022 in accordance with Ind AS, pursuant to the SEBI Letter.

The audited financial statements for the years ended March 31, 2021 and March 31, 2020 have been audited by the previous statutory auditors, S. K. Bhageria & Associates, Chartered Accountants.

## **NON-GAAP MEASURES**

***Net Asset Value per Equity Share / Earnings before Interest, Taxes, Depreciation and Amortization Expenses (“EBITDA”)/ EBITDA Margin/ Return on Capital Employed / Gross Profit / Gross Profit Margin / Restated Profit After Tax / Restated Profit After Tax Margin / Return on Equity / Inventory Turnover Ratio / Net Capital Turnover Ratio / Fixed Assets Turnover Ratio***

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures disclosed in the financial statements prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures.

Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA and Adjusted EBITDA are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio are not standardised terms, hence a direct comparison of Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio between companies may not be possible. Other companies may calculate Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio differently from us, limiting its usefulness as a comparative measure. Although Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio is not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance. See *"Risk Factors - We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies."* on page 65.

For details in relation to reconciliation of Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Profit Margin, Restated Profit After Tax, Restated Profit After Tax Margin, Return on Equity, Inventory Turnover Ratio, Net Capital Turnover Ratio and Fixed Assets Turnover Ratio, see *"Other Financial Information"* on page 302.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Property, Plant & Equipment (“PPE”)***

*Measurement at recognition:*

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

On transition to Ind AS (*i.e.*, April 1, 2020), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

*Capital work in progress and Capital advances:*

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

*Depreciation and Amortisation*

Depreciation on each part of an item of property, plant and equipment is provided using the WDV Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives of the assets are as follows:

<i>Asset Class</i>	<i>Useful Life</i>
Office Building	60 years
Factory Building	30 years
Plant & Machinery	15 years
R&D Equipment	15 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

*Derecognition:*

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

*Investment Property*

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing costs capitalised for qualifying assets. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for PPE above.

## ***Intangible Assets***

### *Measurement at recognition:*

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Our Company had elected to consider the carrying value of all its intangible assets appearing in the Restated Financial Information prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on April 1, 2020.

### *Amortisation:*

Intangible Assets with finite lives are amortised on a written down value basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss. The estimated useful life of intangible assets is mentioned below:

<b><i>Asset Class</i></b>	<b><i>Useful Life</i></b>
Software	6 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### *Derecognition:*

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

## ***Revenue Recognition***

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which our Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### *Sale of Products:*

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time *i.e.*, when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts.

### *Export Incentives:*

Income from Export Incentives such as duty drawback and MEIS are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

#### *Contract Balances:*

##### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If our Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade Receivable

A receivable represents our Company's right to an amount of consideration that is unconditional (*i.e.*, only the passage of time is required before payment of the consideration is due).

##### Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before our Company transfers the related goods. Contract liabilities are recognised as revenue when the Company performs under the contract (*i.e.*, transfers control of the related goods or services to the customer).

#### ***Other Income***

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to our Company, and the amount of the dividend 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 over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, our Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

#### ***Inventories***

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and expenses necessary to make the sale.

#### ***Financial Instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### *Financial Assets*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“**OCT**”), and fair value through profit or loss.



The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our Company's business model for managing them. Our Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Our Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, *i.e.*, the date that our Company commits to purchase or sell the asset.

#### *Subsequent measurement:*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income ("FVTOCI");
- Debt instruments and equity instruments at fair value through profit or loss ("FVTPL"); and
- Equity instruments measured at fair value through other comprehensive income ("FVTOCI").

#### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### *Debt instrument at FVTOCI*

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

#### *Equity instruments*

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, our Company may make an irrevocable election to present subsequent changes in the fair value in OCI. Our Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If our Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, our Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (*i.e.*, removed from our Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- Our Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) our Company has transferred substantially all the risks and rewards of the asset, or (b) our Company has neither transferred nor retained
- substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, our Company continues to recognise the transferred asset to the extent of our Company's continuing involvement. In that case, our Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. Our Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require our Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, our Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Our Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

#### Financial liabilities and equity instruments

##### *Classification as debt or equity*

Debt and equity instruments issued by our Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by our Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of our Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of our Company’s own equity instruments.

##### Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by our Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Our Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments.

##### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that our Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (“**EIR**”) method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

#### *Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

#### *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 between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### *Reclassification of financial assets*

Our Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Our Company's senior management determines change in the business model as a result of external or internal changes which are significant to our Company's operations. Such changes are evident to external parties.

A change in the business model occurs when our Company either begins or ceases to perform an activity that is significant to its operations. If our Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change

in business model. Our Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### *Dividend distribution to equity holders of the Company*

Our Company recognises a liability to make dividend distributions to equity holders of our Company when the distribution is authorised and the distribution is no longer at the discretion of our Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### ***Fair Value Measurement***

Our Company measures financial instruments at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by our Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Our Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information 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 Restated Financial Information on a recurring basis, our 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.

For the purpose of fair value disclosures, our 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.'

#### ***Trade Receivables and Loans***

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (“**EIR**”) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### ***Foreign Currency Transactions***

The Restated Financial Information are presented in Indian Rupee, which is our Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the Statement of Profit and Loss.

*Monetary items:*

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

*Non – Monetary items:*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**Income Tax**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

*Current Tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where our Company operates and generates taxable income.

*Deferred Tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Restated Financial Information and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled.

### ***Presentation of Current and Deferred Tax***

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income,

Our Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if our Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on our Company.

### **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, our Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the Restated Financial Information unless an inflow of economic benefits is probable.

### **Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of our Company's cash management.

### **Impairment of Non-financial Assets**

Non-financial assets other than inventories, deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### **Segment reporting**

Our Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is our Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

### **Earnings Per Share**

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **CHANGES IN ACCOUNTING POLICIES**

Except for the introduction and transition to Ind AS, there have been no changes in our accounting policies during Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022

### **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

#### **Income**

Our total income comprise (i) revenue from operations; and (ii) other income.

#### ***Revenue from Operations***

Revenue from operations comprise revenue from contracts with customers recognised at a point in time and other operating revenues. Revenue from contracts with customers recognised at a point of time consists of domestic market and export market, and other operating revenues consists of export incentives.

#### ***Other Income***

Other income comprises interest income from financial assets at amortised cost, other non-operating income, and other gains and losses. Interest income from financial assets at amortised cost includes on bank deposits, other interest, and dividend income; other non-operating includes net gain arising on investments measured at fair value through profit and loss, liabilities no longer required written back and miscellaneous income; and other gains and losses include net gain on foreign currency transactions and translation, net gain on sale of investments measured at fair value through profit and loss and net profit on sale of property, plant and equipment.

#### **Expenses**

Our expenses comprise cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress, employee benefits expense, finance costs, depreciation and amortization expense; and other expenses.

#### ***Costs of Materials Consumed***

Cost of material consumed consists of raw materials, which includes opening stock, addition of purchases of raw material and less closing stock.



### ***Changes in Inventories of Finished Goods and Work-in-Progress***

Changes in inventories of finished goods and work-in-progress consists of (i) inventories at the beginning of the period (finished goods and work in progress); and (ii) inventories at the end of the period (finished goods and work in progress), making up the net (increase) / decrease in inventories.

### ***Employee Benefits Expense***

Employee benefits expense primarily comprises (i) salaries, wages and benefits; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

### ***Finance Costs***

Finance costs include interest expense towards working capital borrowings, term loans from banks, lease liabilities and other interest, and other borrowing costs.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense comprise depreciation on property, plant and equipment, amortisation of right-of-use assets, and amortisation of intangible assets.

### ***Other Expenses***

Other expenses comprises: (i) consumption of stores, spares and consumables; (ii) power and fuel; (iii) processing charges; (iv) pollution control expenses; (v) freight and handling charges; (vi) brokerage and commission; (vii) advertisement and sales promotion expenses; (viii) legal and professional expenses; (ix) travelling and conveyance; (x) rent expenses; (xi) repairs and maintenance on (a) machinery, (b) building, and (c) others; (xii) rates, fees and taxes; (xiii) bank charges; (xiv) testing and sampling charges; (xv) loss on account of fire; (xvi) insurance; (xvii) corporate social responsibility expenses including other donations; (xviii) payment to auditors for (a) statutory audit fees; (b) in other capacity (i) for tax audit; (ii) for other matters; and (iii) for out of pocket expenses; (xix) bad debts; (xx) provision for expected credit losses; (xxi) net loss arising on investments measured at fair value through profit or loss; (xxii) net loss on sale of investments measured at fair value through profit or loss; and (xxiii) miscellaneous expenses.

## **RESULTS OF OPERATIONS**

The following table sets forth certain information with respect to our results of operations for Fiscal 2020, 2021 and 2022 and the three months ended June 30, 2022:

Particulars	Fiscal						Three months ended June	
	2020		2021		2022		30, 2022	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
<b>Revenue</b>								
Revenue from operations	1,991.46	99.48%	2,747.90	96.64%	3,117.82	96.93%	1,000.20	96.63%
Other income	10.49	0.52%	95.65	3.36%	98.91	3.07%	34.86	3.37%
<b>Total Income</b>	<b>2,001.95</b>	<b>100.00%</b>	<b>2,843.55</b>	<b>100.00%</b>	<b>3,216.73</b>	<b>100.00%</b>	<b>1,035.06</b>	<b>100.00%</b>
<b>Expenses</b>								
Cost of materials consumed	1,202.44	60.06%	1,545.78	54.36%	1,582.49	49.20%	437.22	42.24%
Purchase of Traded Goods	-	-	-	-	-	-	11.60	1.12%

Particulars	Fiscal						Three months ended June	
	2020		2021		2022		30, 2022	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Changes in inventories of finished goods and work-in-progress	(42.26)	(2.11)%	13.20	0.46%	(79.63)	(2.48)%	3.55	0.34%
Employee benefits expense	146.40	7.31%	169.44	5.96%	234.33	7.28%	60.02	5.80%
Finance costs	23.38	1.17%	9.96	0.35%	5.41	0.17%	1.82	0.18%
Depreciation and amortization expenses	42.16	2.11%	37.12	1.31%	42.07	1.31%	13.51	1.31%
Other expenses	335.82	16.77%	322.99	0.81%	461.61	14.35%	159.16	15.38%
<b>Total expenses</b>	<b>1,707.94</b>	<b>85.31%</b>	<b>2,098.49</b>	<b>73.80%</b>	<b>2,246.28</b>	<b>69.83%</b>	<b>686.88</b>	<b>66.36%</b>
<b>Profit before Tax</b>	<b>294.00</b>	<b>14.69%</b>	<b>745.06</b>	<b>26.20%</b>	<b>970.45</b>	<b>30.17%</b>	<b>348.18</b>	<b>33.64%</b>
<b>Tax expense</b>								
Current tax	95.19	4.75%	183.80	6.46%	251.03	7.80%	<b>100.51</b>	<b>9.71%</b>
Deferred tax	8.29	0.41%	(1.94)	(0.07)%	(16.15)	(0.50)%	<b>(1.12)</b>	<b>(0.11)%</b>
Current taxes relating to earlier years	(0.01)	0.00%	-	-	0.95	0.03%	-	-
<b>Profit for the period/year (A)</b>	<b>190.53</b>	<b>9.52%</b>	<b>563.20</b>	<b>19.81%</b>	<b>734.62</b>	<b>22.84%</b>	<b>248.79</b>	<b>24.04%</b>
<b>Other comprehensive (loss) / income</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Re-measurement of defined benefit plans	(1.61)	(0.08)%	(2.59)	(0.09)%	0.18	0.01%	1.09	0.11%
Income tax (expense) / benefit related to items that will not be reclassified to Profit and Loss	0.47	0.02%	0.65	0.02%	(0.04)	0.00%	(0.27)	(0.03)%
<b>Total other comprehensive income (net of tax) (B)</b>	<b>(1.14)</b>	<b>(0.06)%</b>	<b>(1.94)</b>	<b>(0.07)%</b>	<b>0.14</b>	<b>0.00%</b>	<b>0.82</b>	<b>0.08%</b>
<b>Total comprehensive income for the Period/Year (A+ B)</b>	<b>189.39</b>	<b>9.46%</b>	<b>561.26</b>	<b>19.74%</b>	<b>734.76</b>	<b>22.84%</b>	<b>249.61</b>	<b>24.12%</b>

### **THREE MONTHS ENDED JUNE 30, 2022**

#### **Total Income**

Total income in the three months ended June 30, 2022 was ₹ 1,035.06 million primarily attributable to the following:

#### ***Revenue from Operations***

Revenue from operations in the three months ended June 30, 2022 was ₹ 1,000.20 million. Revenue from contracts with customer recognised at a point of time in the three months ended June 30, 2022 was ₹ 989.99 million. Domestic market in the three months ended June 30, 2022 was ₹ 639.36 million. Export market was ₹ 350.63 million in the three months ended June 30, 2022.

#### ***Other Income***

Other income in the three months ended June 30, 2022 was ₹ 34.86 million. Interest income from financial assets at amortised cost on bank deposits was ₹ 1.27 million; and dividend income was ₹ 0.42 million in the three months ended June 30, 2022.

Other non-operating income (net gain arising on investments measured at fair value through profit and loss) decreased was nil in the three months ended June 30, 2022 and miscellaneous income was ₹ 2.12 million in the three months ended June 30, 2022.

Other gains and losses – net gain on sale of investments measured at fair value through profit and loss was ₹ 1.58 million in the three months ended June 30, 2022. Net gain on foreign currency transactions and translation was ₹ 17.16 million in the three months ended June 30, 2022 and net profit from sale of property, plant and equipment was nil in the three months ended June 30, 2022.

#### **Expenses**

Total expenses was ₹ 686.88 million in the three months ended June 30, 2022.

#### ***Cost of Materials Consumed***

Cost of materials consumed was ₹ 437.22 million in the three months ended June 30, 2022. Opening stock was ₹ 264.96 million; purchases of raw material was ₹ 552.42 million; and closing stock was ₹ 380.16 million in the three months ended June 30, 2022.

#### ***Employee Benefits Expense***

Employee benefits expense was ₹ 60.02 million in the three months ended June 30, 2022. Salaries, wages and benefits was ₹ 57.09 million in the three months ended June 30, 2022, attributable to increase in the number of employees in our Company. Consequently, contribution to provident and other funds was ₹ 1.80 million in the three months ended June 30, 2022 and staff welfare expenses was ₹ 1.13 million in the three months ended June 30, 2022.

#### ***Finance Costs***

Finance costs was ₹ 1.82 million in the three months ended June 30, 2022, due to interest expense amounting to ₹ 1.52 million, and other borrowing costs amounting to ₹ 0.30 million. Interest expense consists of working capital borrowings, which was ₹ 0.02 million in the three months ended June 30, 2022; term loans from banks, which was ₹ nil in the three months ended June 30, 2022; lease liabilities, which was ₹ 0.93 million in the three months ended June 30, 2022; and other interest, which was ₹ 0.57 million in the three months ended June 30, 2022. Other borrowing costs was ₹ 0.30 million in the three months ended June 30, 2022.

#### ***Depreciation and Amortization Expense***

Depreciation and amortization expense was ₹ 13.51 million in the three months ended June 30, 2022, attributable to depreciation of property, plant and equipment, which was ₹ 11.53 million in the three months ended June 30, 2022; amortisation of right-of-use assets, which was ₹ 1.97 million in the three months ended June 30, 2022; and amortisation of intangible assets, which was ₹ 0.01 million in the three months ended June 30, 2022.

#### ***Other Expenses***

Other expenses was ₹ 159.16 million in the three months ended June 30, 2022, primarily due to freight and handling charges, which was ₹ 23.45 million in the three months ended June 30, 2022 attributable to increase in sales of our products; brokerage and commission, which was ₹ 23.48 million in the three months ended June 30, 2022; power and fuel, which was ₹ 5.50 million in the three months ended June 30, 2022; and miscellaneous expenses, which was ₹ 9.22 million in the three months ended June 30, 2022.

#### **Profit before Tax**

For the reasons discussed above, profit before tax was ₹ 348.18 million in the three months ended June 30, 2022.

#### **Tax Expense**

Current tax was ₹ 100.51 million in the three months ended June 30, 2022; deferred tax was ₹ (1.12) million in the three months ended June 30, 2022; and current taxes relating to earlier years was ₹ nil in the three months ended June 30, 2022.

#### **Profit for the Period/Year**

For the various reasons discussed above, we recorded a profit for the period/year of ₹ 248.79 million in the three months ended June 30, 2022.

#### **Total Comprehensive Income for the Period / Year (Net of Tax)**

Total comprehensive income for the period / year (net of tax) was ₹ 249.61 million in the three months ended June 30, 2022.

#### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹ 328.65 million in the three months ended June 30, 2022, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 32.86% in the three months ended June 30, 2022.

### **FISCAL 2022 COMPARED TO FISCAL 2021**

#### **Key Developments**

- With respect to Unit I, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit I First Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 10.00 million. The Unit I First Closure Notice was issued on account of a fire cause by burning hazardous waste at Unit I. While the Unit I First Closure Notice was in effect, our Company continued its operations during Fiscal 2020 and Fiscal 2021. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit I First Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. We did not carry out manufacturing activities in Fiscal 2021 other than during such foregoing period. We again discontinued manufacturing operations between March 4, 2021 until July 8, 2021. Subsequently, the GPCB issued another closure notice dated September 9, 2021 directing us to, amongst others, prohibit manufacturing operations at Unit I, and also levied a penalty of ₹ 0.25 million (“**Unit I Second Closure Notice**”). The Unit I Second Closure Notice was issued on account of, amongst others, improper handling of waste material. Consequently, in Fiscal 2022, Unit I was operational approximately for 66 days between July 9, 2021 until September 15, 2021. The GPCB subsequently revoked the closure notice for a period of three months by way of a revocation order dated September 15, 2022 and we have made an application dated December 7, 2022 with the GPCB for permanent revocation of the closure direction which is currently pending. Although the November 27, 2019 closure notice continues to be in effect

as the September 15, 2022 temporary revocation order has expired, Unit I is currently operational and manufacturing operations are being undertaken at the facility.

- On September 30, 2021, our Company received a closure notice issued by the GPCB, amongst others, prohibiting manufacturing activity at Unit III as a result of the improper disposal of hazardous waste. Consequently, our manufacturing operations at Unit III were disrupted between October 1, 2021 and January 30, 2022. GPCB subsequently imposed a fine of ₹ 5.40 million on our Company and the September 30, 2021 closure notice was temporarily revoked for a period of three months by way of a revocation order dated January 24, 2022. We made an application to the GPCB dated April 11, 2022 for permanent revocation of the application made by our Company to the GPCB, we continued to undertake manufacturing operations at Unit III following the three month period. Subsequently, the closure notice was permanently revoked by way of a revocation order dated September 3, 2022. Unit III is currently operational and manufacturing operations are being undertaken at the facility.
- Our Company commenced operations at the R&D facility located at Bhiwandi.
- We installed additional boilers and machinery at Unit III to enhance its production capacity and improve process efficiency for our manufacturing process primarily in the third quarter of Fiscal 2021 and second quarter of Fiscal 2022, respectively, which resulted in an increase in its installed capacity from 1,760.00 MT as of March 31, 2021 to 2,260.00 MT as of March 31, 2022.

### **Total Income**

Total income increased by 13.12% from ₹ 2,843.55 million in Fiscal 2021 to ₹ 3,216.73 million in Fiscal 2022, primarily attributable to the following:

#### ***Revenue from Operations***

Revenue from operations increased by 13.46% from ₹ 2,747.90 million in Fiscal 2021 to ₹ 3,117.82 million in Fiscal 2022, attributable to an increase in revenue from contracts with customer recognised at a point of time. Revenue from contracts with customer recognised at a point of time increased by 11.88% from ₹ 2,724.80 million in Fiscal 2021 to ₹ 3,048.43 million in Fiscal 2022, attributable to an increase in both domestic market and export market. Domestic market increased by 12.41% from ₹ 1,852.57 million in Fiscal 2021 to ₹ 2,082.45 million in Fiscal 2022, attributable to an increase in sales realisation due to focus on niche speciality products with higher realisations; and export market increased by 10.75% from ₹ 872.23 million in Fiscal 2021 to ₹ 965.98 million in Fiscal 2022.

Other operating revenues, consisting of export incentives, increased by 200.39% from ₹ 23.10 million in Fiscal 2021 to ₹ 69.39 million in Fiscal 2022.

#### ***Other Income***

Other income increased by 3.41% from ₹ 95.65 million in Fiscal 2021 to ₹ 98.91 million in Fiscal 2022, attributable to an increase in interest income from financial assets at amortised cost and dividend income.

Interest income from financial assets at amortised cost on bank deposits increased by 202.12% from ₹ 2.36 million in Fiscal 2021 to ₹ 7.13 million in Fiscal 2022, attributable to an increase in interest income on bank deposits from ₹ 0.87 million in Fiscal 2021 to ₹ 6.44 million in Fiscal 2022; increase in dividend income by 188.73% from ₹ 1.42 million in Fiscal 2021 to ₹ 4.10 million in Fiscal 2022, attributable to increase in investments. This was partially offset by interest income from financial assets at amortised cost (other interest), which decreased from ₹ 1.49 million in Fiscal 2021 to ₹ 0.69 million in Fiscal 2022.

Other non-operating income - net gain arising on investments measured at fair value through profit and loss decreased from ₹ 41.09 million in Fiscal 2021 to nil in Fiscal 2022 and miscellaneous income decreased from ₹ 12.49 million in Fiscal 2021 to ₹ 0.53 million in Fiscal 2022, attributable to recovery of bad debts and insurance claims.

Other gains and losses – net gain on sale of investment measured at fair value through profit and loss increased by 259.65% from ₹ 20.25 million in Fiscal 2021 to ₹ 72.83 million in Fiscal 2022. This is partially offset by net gain on foreign currency transactions and translation, which decreased by (19.57)% from ₹ 17.78 million in Fiscal 2021 to ₹ 14.30 million in Fiscal 2022, attributable to fluctuation in foreign currency exchange and net profit on sale of property, plant and equipment which decreased from ₹ 0.26 million in Fiscal 2021 to ₹ 0.02 million in Fiscal 2022.

## **Expenses**

Total expenses increased by 7.04% from ₹ 2,098.49 million in Fiscal 2021 to ₹ 2,246.28 million in Fiscal 2022 reflecting our increased production and growth in business operations. Total expenses as a percentage of revenue from operations improved to 72.05% in Fiscal 2022 compared to 76.37% in Fiscal 2021.

### ***Cost of Materials Consumed***

Cost of materials consumed increased marginally by 2.37% from ₹ 1,545.78 million in Fiscal 2021 to ₹ 1,582.49 million in Fiscal 2022. Opening stock increased by 76.94% from ₹ 76.75 million in Fiscal 2021 to ₹ 135.80 million in Fiscal 2022; purchases of raw material increased marginally by 6.66% from ₹ 1,604.83 million in Fiscal 2021 to ₹ 1,711.65 million in Fiscal 2022 corresponding to the increase in sale of our products; and closing stock increased by 95.09% from ₹ 135.80 million in Fiscal 2021 to ₹ 264.96 million in Fiscal 2022, attributable to due to increase in the production of our products. However, as a percentage of revenue from operations in the respective periods, cost of materials consumed decreased to 50.76% in Fiscal 2022 compared to 56.25% in Fiscal 2021 primarily as a result of resilient prices of our products and efficiencies of scale in our procurement process.

### ***Employee Benefits Expense***

Employee benefits expense increased by 38.30% from ₹ 169.44 million in Fiscal 2021 to ₹ 234.33 million in Fiscal 2022. This was due to an increase in salaries, wages and benefits by 37.58% from ₹ 164.38 million in Fiscal 2021 to ₹ 226.15 million in Fiscal 2022, attributable to an increase in the number of employees from 175 employees in Fiscal 2021 to 181 employees in Fiscal 2022, and annual salary increments in Fiscal 2022; a corresponding increase in contribution to provident and other funds, by 79.03% from ₹ 2.67 million in Fiscal 2021 to ₹ 4.78 million in Fiscal 2022; and a marginal increase in staff welfare expenses, by 42.26% from ₹ 2.39 million in Fiscal 2021 to ₹ 3.40 million in Fiscal 2022. As a percentage of revenue from operations in the respective periods, employee benefit expenses increased to 7.52% in Fiscal 2022 compared to 6.17% in Fiscal 2021.

### ***Finance Costs***

Finance costs decreased by 45.66% from ₹ 9.96 million in Fiscal 2021 to ₹ 5.41 million in Fiscal 2022, attributable primarily to a decrease in interest expense towards working capital borrowings, from ₹ 3.82 million in Fiscal 2021 to ₹ nil in Fiscal 2022, attributable to non-utilisation of working capital facilities; a decrease in term loans from banks, from ₹ 0.36 million in Fiscal 2021 to nil in Fiscal 2022 and other interest, from ₹ 2.38 million in Fiscal 2021 to ₹ 0.73 million in Fiscal 2022. This was partially offset by an increase in interest expense towards lease liabilities, from ₹ 0.72 million in Fiscal 2021 to ₹ 4.00 million in Fiscal 2022. Other borrowing costs also decreased from ₹ 2.68 million in Fiscal 2021 to ₹ 0.68 million in Fiscal 2022, attributable to reduction in non-fund-based borrowings for example letter of credit.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense increased by 13.32% from ₹ 37.12 million in Fiscal 2021 to ₹ 42.07 million in Fiscal 2022, attributable to an increase in depreciation on property, plant and equipment by 8.92% from ₹ 32.49 million in Fiscal 2021 to ₹ 35.39 million in Fiscal 2022, attributable to additions in building and furniture for research and development facility at Bhiwandi; as well as an increase in amortisation of right to use assets, by 49.09% from ₹ 4.38 million in Fiscal 2021 to ₹ 6.53 million in Fiscal 2022. This is partially offset by a decrease in amortisation of other intangible assets, from ₹ 0.25 million in Fiscal 2021 to ₹ 0.15 million in Fiscal 2022.

### **Other Expenses**

Other expenses increased by 42.92% from ₹ 322.99 million in Fiscal 2021 to ₹ 461.61 million in Fiscal 2022. As a percentage of revenue from operations in the respective periods, other expenses increased to 14.81% in Fiscal 2022 compared to 11.75% in Fiscal 2021.

#### *Freight and Handling charges*

Freight and handling charges increased by 63.00% from ₹ 44.36 million in Fiscal 2021 to ₹ 72.19 million in Fiscal 2022, primarily due to increased sales of our products and consequent freight rates and charges. However, as a percentage of revenue from operations in the respective periods, freight and handling charges decreased to 2.32% in Fiscal 2022 compared to 1.61% in Fiscal 2021.

#### *Power and Fuel*

Power and Fuel charges decreased by 43.21% from ₹ 22.75 million in Fiscal 2021 to ₹ 12.92 million in Fiscal 2022. The reduction in our power and fuel charges were mainly due to the closure of closure direction issued by the Gujarat Pollution Control Board prohibiting all manufacturing activity at our Unit I on September 9, 2021 in light of the improper manner of disposal its hazardous waste and a closure direction issued by the Gujarat Pollution Control Board prohibiting all manufacturing activity at our Unit III on September 30, 2021 in light of the improper manner of disposal its hazardous waste. As a percentage of revenue from operations, power and fuel consumption decreased to 0.41% of the revenue from operations in Fiscal 2022 from 0.83% of the revenue from operations in Fiscal 2021.

#### *Brokerage Commission*

Brokerage commission increased by 40.24% from ₹ 75.19 million in Fiscal 2021 to ₹ 105.45 million in Fiscal 2022, primarily attributable to increase in sales of our products since brokerage commission is directly variable to the sales of our products. As a percentage of revenue from operations in the respective periods, brokerage commission increased to 3.38% in Fiscal 2022 compared to 2.74% in Fiscal 2021.

#### *Miscellaneous Expenses*

Miscellaneous expenses increased by 87.93% from ₹ 20.39 million in Fiscal 2021 to ₹ 38.32 million in Fiscal 2022 attributable to increase in our day to day expenses in Fiscal 2022 which was reduced and impacted due to COVID-19 pandemic in Fiscal 2021. As a percentage of revenue from operations in the respective periods, miscellaneous expenses increased to 1.23% in Fiscal 2022 compared to 0.74% in Fiscal 2021.

### **Profit before Tax**

For the reasons discussed above, profit before tax was ₹ 970.45 million in Fiscal 2022, as compared to ₹ 745.06 million in Fiscal 2021.

### **Tax Expense**

Current tax amounted to ₹ 251.03 million in Fiscal 2022, as compared to ₹ 183.80 million in Fiscal 2021; deferred tax was ₹ (16.15) million in Fiscal 2022, as compared to ₹ (1.94) million in Fiscal 2021; and current taxes relating to earlier years was ₹ 0.95 million in Fiscal 2022, as compared to nil in Fiscal 2021. Income tax expense recognised in the statement of profit and loss amounted to ₹ 235.83 million in Fiscal 2022, as compared to ₹ 181.86 million in Fiscal 2021.

### **Profit for the Period/Year**

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 734.62 million in Fiscal 2022, as compared to ₹ 563.20 million in Fiscal 2021.

### **Total Comprehensive Income for the Year (Net of Tax)**

Total comprehensive income for the year (net of tax) was ₹ 734.76 million in Fiscal 2022, as compared to ₹ 561.26 million in Fiscal 2021.

## **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹ 919.02 million in Fiscal 2022 and EBIDTA Margin was 29.48% in Fiscal 2022 while EBITDA was ₹ 696.50 million in Fiscal 2021 and EBITDA Margin was 25.35% of our revenue from operations in Fiscal 2021.

## **FISCAL 2021 COMPARED TO FISCAL 2020**

### **Key Developments**

- The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to cease manufacturing activities and to close Unit I with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit I for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit I was operational for approximately 241 days and actual production and capacity utilization for Unit I in Fiscal 2020 was accordingly lower than expected. During Fiscal 2021, although the November 27, 2019 closure notice continued to be in effect, we engaged in manufacturing operations during the period April 15, 2020 to March 3, 2021. We did not carry out manufacturing activities in Fiscal 2021 other than during such foregoing period, and our actual production and capacity utilization information for Fiscal 2021 was accordingly lower than expected.
- The GPCB pursuant to its letter dated November 27, 2019 issued a closure notice to our Company directing us to amongst others, prohibiting manufacturing activities and to close Unit II with immediate effect. Pursuant to such closure notice we discontinued manufacturing activities at Unit II for the remainder of Fiscal 2020. Consequently, in Fiscal 2020 Unit II was operational for approximately 241 days and actual production and capacity utilization for Unit II in Fiscal 2020 was accordingly lower than expected. Subsequently, GPCB imposed a fine of ₹ 0.40 million on our Company which was paid and GPCB, by way of its interim order dated July 5, 2021 revoked the closure for a period of three months. In subsequent periods, Unit II has continuously been undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. We have made an application dated December 10, 2022 with GPCB for permanent revocation of the closure notice which is currently pending.

### **Total Income**

Total income increased by 42.04% from ₹ 2,001.95 million in Fiscal 2020 to ₹ 2,843.55 million in Fiscal 2021, primarily attributable to the following:

#### ***Revenue from Operations***

Revenue from operations increased by 37.98% from ₹ 1,991.46 million in Fiscal 2020 to ₹ 2,747.90 million in Fiscal 2021, attributable to an increase in revenue from contracts with customer. Revenue from contracts with customer recognised at a point of time increased by 38.20% from ₹ 1,971.65 million in Fiscal 2020 to ₹ 2,724.80 million in Fiscal 2021, attributable to an increase in both domestic markets and export markets. Domestic markets increased by 34.77% from ₹ 1,374.64 million in Fiscal 2020 to ₹ 1,852.57 million in Fiscal 2021, attributable to an increase in sales realisation due to focus on niche speciality products with higher realisations and export markets increased by 46.10% from ₹ 597.01 million in Fiscal 2020 to ₹ 872.23 million in Fiscal 2021.

Other operating revenues, consisting of export incentives, increased by 16.61% from ₹ 19.81 million in Fiscal 2020 to ₹ 23.10 million in Fiscal 2021.

#### ***Other Income***

Other income increased by significantly by 811.82% from ₹ 10.49 million in Fiscal 2020 to ₹ 95.65 million in Fiscal 2021, attributable to an increase in dividend income; increase in net gain arising on investments measured at fair value through profit and loss, miscellaneous income, net gain on foreign currency transactions and translation and net gain on sale of investments measured at fair value through profit and loss.



Interest income from financial assets at amortised cost on bank deposits increased from ₹ 0.45 million in Fiscal 2020 to ₹ 0.87 million in Fiscal 2021; dividend income increased from ₹ 0.83 million in Fiscal 2020 to ₹ 1.42 million in Fiscal 2021. This was partially offset by interest income from financial assets at amortised cost (other interest), which decreased to ₹ 1.49 million in Fiscal 2021 from ₹ 1.66 million in Fiscal 2020.

Other non-operating income - net gain arising on investments measured at fair value through profit and loss increased from nil in Fiscal 2020 to ₹ 41.09 million in Fiscal 2021; and miscellaneous income increased by from ₹ 0.60 million in Fiscal 2020 to ₹ 12.49 million in Fiscal 2021, primarily due to receipt of insurance claim of ₹ 0.60 million and recovery of bad debts by ₹ 0.60 million.

Other gains and losses – net gain on foreign currency transactions and translation increased by 185.71% from ₹ 6.22 million in Fiscal 2020 to ₹ 17.78 million in Fiscal 2021, attributable to depreciation in India currency. Net profit from sale of investments also increased from nil in Fiscal 2020 to ₹ 20.25 million in Fiscal 2021, and net profit from sale of property, plant and equipment decreased by 64.17% from ₹ 0.73 million in Fiscal 2020 to ₹ 0.26 million in Fiscal 2021.

### **Expenses**

Total expenses increased by 22.87% from ₹ 1,707.94 million in Fiscal 2020 to ₹ 2,098.50 million in Fiscal 2021, reflecting our increased production and growth in business operations. Total expenses as a percentage of revenue from operations improved to 76.37% in Fiscal 2021 compared to 85.76% in Fiscal 2020.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by 28.55% from ₹ 1,202.44 million in Fiscal 2020 to ₹ 1,545.78 million in Fiscal 2021, attributable to an increase in production of our products. Opening stock increased by 98.22% from ₹ 38.72 million in Fiscal 2020 to ₹ 76.75 million in Fiscal 2021; purchases of raw material increased by 29.37% from ₹ 1,240.47 million in Fiscal 2020 to ₹ 1,604.83 million in Fiscal 2021, attributable to increase in production of our products; and closing stock increased by 76.94% from ₹ 76.75 million in Fiscal 2020 to ₹ 135.80 million in Fiscal 2021, attributable to increase in the production of our products. However, as a percentage of revenue from operations in the respective periods, cost of materials consumed decreased to 56.25% in Fiscal 2021 compared to 60.38% in Fiscal 2020 primarily as a result of resilient prices of our products and efficiencies of scale in our procurement process.

### ***Employee Benefits Expense***

Employee benefits expense increased by 15.74% from ₹ 146.40 million in Fiscal 2020 to ₹ 169.44 million in Fiscal 2021. This was due to an increase in salaries, wages and benefits by 18.08% from ₹ 139.22 million in Fiscal 2020 to ₹ 164.3 million in Fiscal 2021, attributable to an increase in the number of employees from 154 employees in Fiscal 2020 to 175 employees in Fiscal 2021, and annual salary increments in Fiscal 2021. This was partially offset by a decrease in contribution to provident and other funds, by 29.90% from ₹ 3.81 million in Fiscal 2020 to ₹ 2.67 million in Fiscal 2021; and a decrease in staff welfare expenses, by 29.16% from ₹ 3.37 million in Fiscal 2020 to ₹ 2.39 million in Fiscal 2021. As a percentage of revenue from operations in the respective periods, employee benefit expenses decreased to 6.16% in Fiscal 2021 compared to 7.35% in Fiscal 2020.

### ***Finance Costs***

Finance costs decreased by 57.38% from ₹ 23.38 million in Fiscal 2020 to ₹ 9.96 million in Fiscal 2021, attributable primarily to a decrease in interest expense towards working capital borrowings by 67.70% from ₹ 9.38 million in Fiscal 2020 to ₹ 3.82 million in Fiscal 2021, due to reduction in utilization of working capital facilities; a decrease in term loans from banks, from ₹ 5.09 million in Fiscal 2020 to ₹ 0.36 million in Fiscal 2021, attributable to repayment of loans availed by our Company; a decrease in lease liabilities from ₹ 1.07 million in Fiscal 2020 to ₹ 0.72 million in Fiscal 2021 and a decrease in other borrowing costs from ₹ 5.80 million in Fiscal 2020 to ₹ 2.68 million in Fiscal 2021.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense decreased by 11.94% from ₹ 42.16 million in Fiscal 2020 to ₹ 37.12 million in Fiscal 2021, attributable to a decrease in depreciation on property, plant and equipment by 13.15% from ₹ 37.41 million in Fiscal 2020 to ₹ 32.49 million in Fiscal 2021, since our Company did not invest in any capital expenditure in Fiscal 2021; as well as a decrease in amortisation of other intangible assets, by 39.30% from ₹ 0.41 million in Fiscal 2020 to ₹ 0.25 million in Fiscal 2021. This is partially offset by a marginal increase in depreciation of right to use assets, by 0.92% from ₹ 4.34 million in Fiscal 2020 to ₹ 4.38 million in Fiscal 2021.

### **Other Expenses**

Other expenses decreased marginally by 3.82% from ₹ 335.82 million in Fiscal 2020 to ₹ 322.99 million in Fiscal 2021. As a percentage of revenue from operations in the respective periods, other expenses decreased to 11.75% in Fiscal 2021 compared to 16.86% in Fiscal 2020.

#### *Freight and Handling charges*

Freight and handling charges increased by 82.33% from ₹ 24.33 million in Fiscal 2020 to ₹ 44.36 million in Fiscal 2021, primarily due to increased sales of our products and consequent freight rates and charges. As a percentage of revenue from operations in the respective periods, freight and handling charges increased marginally by 1.61% in Fiscal 2021 compared to 1.22% in Fiscal 2020.

#### *Power and Fuel*

Power and Fuel charges decreased marginally by 15.08% to ₹ 22.75 million in Fiscal 2021 from ₹ 26.79 million in Fiscal 2020 primarily due to increase efficiency to manufacture of our products due to our research and development efforts. As a percentage of revenue from operations power and fuel consumption decreased to 0.83% of the revenue from operations in Fiscal 2021 from 1.35% of the revenue from operations in Fiscal 2020.

#### *Brokerage Commission*

Brokerage commission significantly increased by 543.75% from ₹ 11.68 million in Fiscal 2020 to ₹ 75.19 million in Fiscal 2021 primarily attributable to increase in sales of our products since brokerage commission is directly variable to the sales of our products. As a percentage of revenue from operations in the respective periods, brokerage commission increased to 2.74% in Fiscal 2021 compared to 0.59% in Fiscal 2020.

#### *Consumption of stores, spares and consumables*

Consumption of stores, spares and consumables increased by 106.58% from ₹ 18.85 million in Fiscal 2020 to ₹ 38.94 million in Fiscal 2021 attributable to the increase in the production of our products. As a percentage of revenue from operations in the respective periods, consumption of stores, spares and consumables increased to 1.42% in Fiscal 2021 compared to 0.95% in Fiscal 2020.

#### *Miscellaneous Expenses*

Miscellaneous expenses decreased by 43.61% to ₹ 20.39 million in Fiscal 2021 from ₹ 36.18 million in Fiscal 2020 attributable to decrease in our day to day expenses due to the restrictions imposed due to the impact of COVID-19. As a percentage of revenue from operations in the respective periods, miscellaneous expenses decreased to 0.74% in Fiscal 2021 compared to 1.82% in Fiscal 2020.

### **Profit before Tax**

For the reasons discussed above, profit before tax was ₹ 745.06 million in Fiscal 2021, as compared to ₹ 294.01 million in Fiscal 2020.

### **Tax Expense**

Current tax amounted to ₹ 183.80million in Fiscal 2021, as compared to ₹ 95.19million in Fiscal 2020; deferred tax was ₹ (1.94) million in Fiscal 2021, as compared to ₹ 8.29 million in Fiscal 2020; and current taxes relating to earlier

years was ₹ (0.01) million in Fiscal 2020, as compared to nil in Fiscal 2021. Income tax expense recognised in the statement of profit and loss amounted to ₹ 181.86 million in Fiscal 2021, as compared to ₹ 103.47 million in Fiscal 2020.

### Profit for the Period/Year

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 563.20 million in Fiscal 2021, as compared to ₹ 190.54 million in Fiscal 2020.

### Total Comprehensive Income for the Year (Net of Tax)

Total comprehensive income for the year (net of tax) was ₹ (1.94) million in Fiscal 2021, as compared to ₹ (1.14) million in Fiscal 2020.

### Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 696.50 million in Fiscal 2021 and EBIDTA Margin was 25.35% in Fiscal 2021 while EBITDA was ₹ 349.05 million in Fiscal 2020 and EBITDA Margin was 17.53% of our revenue from operations in Fiscal 2020.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we have obtained loan facilities to finance our short-term working capital requirements.

### CASH FLOWS

The following table sets forth certain information relating to our cash flows in the Fiscals/period indicated:

Particulars	Fiscal			Three months ended June 30, 2022
	2020	2021	2022	
	(₹ million)			
Net cash generated from operating activities	80.21	507.38	174.67	64.32
Net cash (used in) investing activities	(15.24)	(224.36)	(177.31)	(66.04)
Net cash (used in) financing activities	(49.50)	(234.37)	(15.03)	(3.91)
Cash and cash equivalents	11.60	73.06	85.68	80.27

### Operating Activities

#### Three months ended June 30, 2022

In the three months ended June 30, 2022, net cash generated from operating activities was ₹ 64.32 million. Net profit before tax was ₹ 348.18 million in the three months ended June 30, 2022. Primary adjustments consisted of depreciation and amortisation expense of ₹ 13.51 million, net loss arising on investments measured at fair value through profit or loss of ₹ 40.32 million, and liabilities no longer required written back of ₹ 11.95 million.

Operating cash flows before working capital changes was ₹ 387.20 million in Fiscal 2022. The main working capital adjustments in the three months ended June 30, 2022 included increase in trade receivables of ₹ 122.81 million; and increase in inventories of ₹ 111.65 million.

#### Fiscal 2022

In Fiscal 2022, net cash generated from operating activities was ₹ 174.67 million. Net profit before tax was ₹ 970.45 million in Fiscal 2022. Primary adjustments consisted of depreciation and amortisation expense of ₹ 42.07 million,

net gain on sale of investments measured at fair value through profit and loss of ₹ 72.83 million and net loss on fair valuation of investments through profit and loss of ₹ 41.06 million.

Operating profit before working capital changes was ₹ 966.04 million in Fiscal 2022. The main working capital adjustments in Fiscal 2022 included increase in trade receivables of ₹ 448.95 million; increase in inventories of ₹ 208.79 million; and increase in trade payables of ₹ 180.16 million.

#### *Fiscal 2021*

In Fiscal 2021, net cash generated from operating activities was ₹ 507.38 million. Net profit before tax was ₹ 745.06 million in Fiscal 2021. Primary adjustments consisted of depreciation and amortisation expense of ₹ 37.12 million, net gain on sale of investments measured at fair value through profit and loss of ₹ 20.25 million and net loss on fair valuation of investments through profit and loss of ₹ 41.09 million.

Operating profit before working capital changes was ₹ 725.33 million in Fiscal 2021. The main working capital adjustments in Fiscal 2021 included decrease in trade receivables of ₹ 39.32 million; increase in inventories of ₹ 45.85 million; and decrease in provisions of ₹ 59.03 million.

#### *Fiscal 2020*

In Fiscal 2020, net cash generated from operating activities was ₹ 80.21 million. Net profit before tax was ₹ 294.01 million in Fiscal 2020. Primary adjustments consisted of depreciation and amortisation expense of ₹ 42.16 million, bad debt of ₹ 35.83 million and interest expenses of ₹ 23.38 million.

Operating profit before working capital changes was ₹ 428.01 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020 included increase in trade receivables of ₹ 122.82 million; increase in other current assets of ₹ 52.91 million; and increase in inventories of ₹ 80.29 million.

### ***Investing Activities***

#### *Three months ended June 30, 2022*

Net cash used in investing activities was ₹ 66.04 million in the three months ended June 30, 2022, primarily on account of purchase of property, plant and equipment of ₹ 54.91 million. This was partially offset by an increase in term deposits of ₹ 6.88 million.

#### *Fiscal 2022*

Net cash used in investing activities was ₹ 177.31 million in Fiscal 2022, primarily on account of purchase of property, plant and equipment of ₹ 132.53 million, net purchase of investments of ₹ 186.63 million and decrease in term deposits of ₹ 133.72 million.

#### *Fiscal 2021*

Net cash used in investing activities was ₹ 224.36 million in Fiscal 2021, primarily on account of purchase of property, plant and equipment of ₹ 29.29 million, and increase in term deposits of ₹ 210.65 million.

#### *Fiscal 2020*

Net cash used in investing activities was ₹ 15.24 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment of ₹ 10.93 million, and net purchase of investments of ₹ 10.34 million.

### ***Financing Activities***

#### *Three months ended June 30, 2022*

Net cash flows used in financing activities was ₹ 3.91 million in the three months ended June 30, 2022, primarily on account of repayment of lease liabilities of ₹ 2.39 million and interest paid of ₹ 0.59 million.

#### *Fiscal 2022*

Net cash flows used in financing activities was ₹ 15.03 million in Fiscal 2022, primarily on account of repayment of lease liabilities of ₹ 3.87million, dividend paid of ₹ 5.75 million, and interest paid of ₹ 1.41 million.

#### *Fiscal 2021*

Net cash flows used in financing activities was ₹ 234.37 million in Fiscal 2021, primarily on account of repayment from short-term borrowings (net) of ₹ 215.52 million, and interest paid of ₹ 9.25 million.

#### *Fiscal 2020*

Net cash flows used in financing activities was ₹ 49.50 million in Fiscal 2020, primarily on account of repayment of long-term borrowings of ₹ 27.32 million, proceeds from short-term borrowings (net) of ₹ 5.14 million, and interest paid of ₹ 23.38 million.

## **INDEBTEDNESS**

As at June 30, 2022, we did not have any outstanding borrowings. For further information on our indebtedness, see "*Financial Indebtedness*" on page 350. We have not defaulted on any loans or borrowings in the past.

## **CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS**

The following table below sets forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of June 30, 2022:

<b>Particulars</b>	<b>Amount (₹ million)</b>
Claims against our Company not acknowledged as debts	
- Tax matters in dispute under appeal	24.32

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

Except as disclosed in the Restated Financial Information or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## **CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Other than as discussed herein, we do not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

## **CAPITAL EXPENDITURES**

As at March 31, 2020, 2021 and 2022 and as at June 30, 2022, our capital expenditure towards additions (after disposal and adjustments) to property, plant and equipment's and capital work in progress were ₹ 10.69 million, ₹

28.94 million, ₹ 132.53 million and ₹ 54.91 million, respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	As at March 31, 2020	As at March 31, 2021	As at March 31, 2022	As at June 30, 2022
	(₹ million)			
Property, Plant and Equipment	242.21	238.92	292.66	356.03
Capital Work in Progress	70.12	70.12	86.38	42.01
<b>Total</b>	<b>312.33</b>	<b>309.04</b>	<b>379.04</b>	<b>398.04</b>

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to directors, professional fees, rent expenses, sale of goods/services, purchase of goods and corporate social responsibility expenses. In Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022, the arithmetic aggregated absolute total amount of such related party transactions was ₹ 92.08 million, ₹ 249.38 million, ₹ 313.16 million and ₹ 229.56 million, respectively. The percentage of the arithmetic aggregated absolute total value of such related party transactions to our revenue from operations in Fiscal 2020, 2021 and 2022 was 4.62%, 9.08%, 10.04% and 22.95%, respectively.

For further information relating to our related party transactions, see “*Other Financial Information - Related Party Transactions*” on page 306.

## AUDITOR'S OBSERVATIONS

### *Emphasis of Matter*

One of our Joint Statutory Auditors and our Joint Statutory Auditors have included certain emphasis of matters in their auditors' report on our audited financial statements as at and for the year ended March 31, 2020, 2021 and 2022, respectively

### *Fiscal 2020 and 2021*

- One of our Joint Statutory Auditors have drawn attention to a note in the special purpose Ind AS financial statements, which describes the purpose and basis of preparation of the special purpose Ind AS financial statements. Further the special purpose Ind AS financial statements have been prepared by the management of our Company and approved by our Board of Directors for preparing the Restated Financial Information to be included in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, and any addenda thereto prepared by our Company in connection with the Offer as required by Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019), and were not suitable for other purposes. Those auditors' opinion was not modified in respect of this matter.
- One of our Joint Statutory Auditors have drawn attention to a note in the special purpose Ind AS financial statements which states that the special purpose Ind AS financial statements for the year ended March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act prepared by our Company in its response to SEBI directives. Those auditors have clarified that they shall not be liable to our Company or to any other party for any claims, liabilities or expenses in connection with the preparation stated above, and they do not accept or assume any liability or any duty of care for any other purpose or to any other person who may view the examination report without their prior consent in writing. Those auditors have consented to the report being submitted to any regulatory authority, and to the

report being relied upon by other parties, including the Joint Statutory Auditors of our Company, in connection with the Offer. Those auditors' opinion was not modified in respect of this matter.

### **Fiscal 2022**

The Joint Statutory Auditors have drawn attention to a note to the financial statements, regarding restatements made to right of use assets of ₹ 33.50 million, capital work in progress of ₹ (33.50) million, inventories of ₹ 17.16 million, provisions for employee benefits of ₹ 9.66 million, deferred tax liability of ₹ 2.18 million, with corresponding impact on reserves as at April 1, 2020 and right of use assets of ₹ 33.50 million, capital work in progress of ₹ (33.50) million, inventories of ₹ 11.01 million, provisions for employee benefits of ₹ 10.04 million, deferred tax liability of ₹ 0.24 million with corresponding impact on reserves March 31, 2021.

The opinion of our Joint Statutory Auditors is not modified in respect of the above matter. There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

### **CARO Modifications/Observations**

Our Joint Statutory Auditors have included the following modifications in the annexure to their report on our audited financial statements for Fiscal 2022 as required under the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, as applicable:

#### **As at and for the year ended March 31, 2022**

##### *Clause (ii) (b) of CARO 2020 Order*

Our Company has been sanctioned working capital limits in excess of ₹ 50.00 million in aggregate from bank during the year on the basis of security of current assets of our Company. Based on the records examined by our Joint Statutory Auditors in the normal course of audit of the financial statements, the quarterly returns/statements filed by our Company with such bank are not in agreement with the books of accounts of our Company and the details are as follows:

<b>Area</b>	<b>Remarks</b>	<b>June 2021 Amount (₹ million)</b>	<b>September 2021 Amount (₹ million)</b>	<b>December 2021 Amount (₹ million)</b>	<b>March 2022 Amount (₹ million)</b>	<b>Reasons for difference</b>
Trade Receivables	As per books	546.24	548.05	758.01	1,177.97	Payments adjusted in books post submission of returns/statement
Trade Receivables	As per returns	626.03	559.51	757.13	1,131.04	
Trade Payables	As per books	424.92	449.45	515.31	487.64	<ul style="list-style-type: none"> <li>• Payments adjusted in books post submission of returns/statement</li> <li>• Adjustment for advances to suppliers not done</li> </ul>
Trade Payables	As per returns	231.40	266.96	225.72	365.89	
Sales	As per books	257.93	244.21	278.27	569.89	Entries posted/adjustments made post submission to bankers
Sales	As per returns	283.41	265.79	314.93	611.01	
Purchases	As per books	133.05	102.21	122.79	234.69	Entries posted/adjustments made post submission to bankers
Purchases	As per returns	142.03	127.41	129.45	273.47	
Stock	As per books	354.40	375.10	268.41	401.86	Entries posted/adjustments

<i>Area</i>	<i>Remarks</i>	<i>June 2021 Amount (₹ million)</i>	<i>September 2021 Amount (₹ million)</i>	<i>December 2021 Amount (₹ million)</i>	<i>March 2022 Amount (₹ million)</i>	<i>Reasons for difference</i>
<i>Stock</i>	<i>As per returns</i>	339.16	467.74	428.72	350.14	<i>made post submission to bankers</i>

*Clause (vii) (a) of CARO 2020 Order*

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

*Clause (vii) (b) of CARO 2020 Order*

The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

<i>Nature of statute</i>	<i>Nature of Dues</i>	<i>Amount (₹ million)</i>	<i>Period to which it pertains</i>	<i>Forum where dispute is pending</i>
<i>The Income Tax Act, 1961</i>	<i>Income Tax</i>	14.14	<i>Fiscal 2018</i>	<i>CIT Appeals</i>

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to credit risk, liquidity risk, market risk and interest rate risk. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework.

### ***Credit Risk***

Credit risk arises from the possibility that the value of receivables or other financial assets of our Company may be impaired because counterparties cannot meet their payment or other performance obligations. To manage credit risks from trade receivables other than related party, the credit managers from order to cash department of our Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with our Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, our Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. Our Company had no other financial instrument that represents a significant concentration of credit risk.

Our Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk our Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations, and



- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, our Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit and loss.

### ***Liquidity Risk***

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation. Due to the dynamic nature of underlying businesses, our Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### ***Market Risk***

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect our Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Our Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus, our Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

### ***Foreign Currency Exchange Risk***

Foreign currency opportunities and risks for our Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). Our Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar (USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. Our Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

### ***Cash flow and fair value interest rate risk***

#### ***Interest rate risk management***

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 rates. Our Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Our Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of our Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

Our Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, our Company believes it has manageable risk and achieving satisfactory returns. The Company also has long-term fixed interest-bearing assets. However, our Company has in place an effective system to manage risk and maximise return.

#### *Price risk*

Our Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

#### *Risk due to outbreak of COVID-19 pandemic*

The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. Our Company has considered external and internal information in assessing the impact of COVID-19 on various elements of its restated summary statements, including recoverability of its assets as at the balance Sheet date.

### **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. For details regarding past instances of closure directions issued by the Gujarat Pollution Control Board prohibiting manufacturing activities, see "*Risk Factors - We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities*" on page 38.

### **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 309 and 33, respectively.

### **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 309 and 33, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 174 and 308, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

## **NEW PRODUCTS OR BUSINESS SEGMENTS**

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

## **COMPETITIVE CONDITIONS**

We operate in a competitive environment. For further information, see “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 174, 126 and 33, respectively on competitive conditions that we face.

## **EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE FROM OPERATIONS ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in revenue in the last three Fiscals are as described in “– *Three months ended June 30, 2022*”, “– *Fiscal 2022 compared to Fiscal 2021*” and “– *Fiscal 2021 compared to Fiscal 2020*” above on pages 331, 332 and 336, respectively.

## **SEGMENT REPORTING**

Our business activity primarily falls within a single business segment, *i.e.*, fine and speciality chemicals, accordingly, we do not follow any other segment reporting.

## **SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS**

Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles. Hence, given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or suppliers. Our Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal / period.

In the three months ended June 30, 2020, revenues from transactions with a customer exceeding 10% of our Company’s sales in current as well as previous period was ₹ 174.04 million. For further information, see “*Risk Factors - We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.*” and “*Our Business – Strengths - Well established and long-standing relationships with marquee customer base*” on pages 34 and 182, respectively.

## **SEASONALITY/ CYCLICALITY OF BUSINESS**

Considering the operations of our Company, we do not believe our business is seasonal in nature.

## **SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since June 30, 2022, that could materially and adversely affect or are likely to affect, our operations,

trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

### ***Revocation orders***

The Gujarat Pollution Control Board (“GPCB”) pursuant to a letter dated September 30, 2021 issued a closure notice (“**Unit III Closure Notice**”) directing our Company to, amongst others, stop manufacturing activities at Unit III with immediate effect. The Unit III Closure Notice was issued on account of, amongst others, the occurrence of a blast, which also resulted in one casualty and two injuries. Upon payment of a penalty of ₹ 5.40 million, and undertaking the necessary compliances by our Company, the closure notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated January 24, 2022. To The Company made an application to the GPCB dated April 11, 2022 for the permanent revocation of the Unit III Closure Notice. Subsequently, the Unit III Closure Notice was permanently revoked by way of a revocation order dated September 3, 2022. While the Unit III Closure Notice has been permanently revoked, there can be no assurance that any such notices will not be issued to us in the future. We continued to undertake manufacturing operations at Unit III while the Unit III Closure Notice was in effect until the receipt of final revocation order. There can be no assurance that any penalty or action for continued operations will not be levied or initiated.

With respect to Unit I, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit I First Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 10.00 million. The Unit I First Closure Notice was issued on account of a fire cause by burning hazardous waste at Unit I. While the Unit I First Closure Notice was in effect, our Company continued its operations during Fiscal 2020 and Fiscal 2021. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit I First Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. Subsequently, the GPCB issued another closure notice dated September 9, 2021 directing us to, amongst others, prohibit manufacturing operations at Unit I, and also levied a penalty of ₹ 0.25 million (“**Unit I Second Closure Notice**”). The Unit I Second Closure Notice was issued on account of, amongst others, improper handling of waste material. Upon undertaking the necessary compliances by our Company, payment of fine imposed by GPCB and pursuant to an application made by our Company to GPCB on May 18, 2022, the Unit I First Closure Notice and Unit I Second Closure Notice were temporarily revoked by GPCB for a period of three months by way of a revocation order dated September 15, 2022. Following the expiry of the temporary revocation order, our Company has continued its manufacturing operations (including during the periods wherein Unit I First Closure Notice and Unit I Second Closure Notice were in effect, and upon expiry of the three month period relaxed pursuant to the aforesaid revocation order). While we have made an application dated December 7, 2022 to GPCB for grant of permanent revocation in respect of Unit I First Closure Notice and Unit I Second Closure Notice, such application is currently pending. There can assurance that we will receive such a revocation, or if any such notices will not be issued to us in the future, and that any penalty or action for continued operations will not be levied or initiated.

With respect to Unit II, GPCB pursuant to its letter dated November 27, 2019 issued a closure notice (“**Unit II Closure Notice**”) to our Company directing us to, amongst others, prohibit manufacturing activities, and also levied a penalty of ₹ 0.40 million. The Unit II Closure Notice was issued on account of, amongst others, improper handling of waste material. Upon undertaking necessary compliances, payment of fine imposed by GPCB and pursuant to an application dated June 9, 2021 made by our Company to GPCB, Unit II Closure Notice was temporarily revoked by GPCB for a period of three months by way of a revocation order dated July 5, 2021. Following the expiry of the temporary revocation order, our Company continued its operations by undertaking ancillary manufacturing activities (without using the boilers in compliance with the Unit II Closure Notice), and packaging and labelling of our products. While we have made an application dated October 10, 2022 to GPCB for grant of permanent revocation in respect of Unit II Closure Notice, such application is currently pending. There can be no assurance that we will receive such revocation, or if any such similar notices will not be issued to us in the future, and that any penalty or action for continued operations will not be levied or initiated.

### ***Split and Bonus of Equity Shares***

Pursuant to Board resolution dated June 17, 2022 and Shareholders resolution dated July 18, 2022, the face value of the equity shares of our Company was split from ₹ 10 each to ₹ 2 each, therefore an aggregate 5,750,000 issued and paid-up equity shares of ₹ 10 each were split into 28,750,000 Equity Shares of ₹ 2 each.

***Bonus of Equity Shares***

Our Company issued bonus shares in the ratio of two Equity Shares for every one Equity Share held on September 18, 2022.

## FINANCIAL INDEBTEDNESS

Our Company has entered into a financing arrangement in the ordinary course of our business with Kotak Mahindra Bank Limited. For details regarding the borrowing powers of our Board, please see “*Our Management – Borrowing Powers*” on page 212.

Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia*, effecting a change in our shareholding pattern, effecting a change in the composition of our Board, and amending our constitutional documents.

As on October 31, 2022, our lender was Kotak Mahindra Bank Limited and our aggregate outstanding facilities including letters of credit and guarantees amount to ₹ 94.58 million. The details of our aggregate outstanding facilities as on October 31, 2022, are provided below:

<i>(in ₹ million)</i>		
Nature of facilities	Sanctioned amount*	Outstanding amount as on October 31, 2022*
Term Loan	78.80	0.00
Working Capital Facilities		
i) Fund Based	430.00	-
ii) Non Fund Based*		94.58
Treasury (Money To Market)	2.50	0.00
<b>Total</b>	<b>511.30</b>	<b>94.58</b>

\* Non fund based facilities as on October 31, 2022 includes letters of credit amounting to ₹ 86.52 million and guarantees amounting to ₹ 8.06 million.

Note: As certified by Lodha & Co., Chartered Accountants, pursuant to their certificate dated December 28, 2022.

### Principal terms of the borrowings availed by our Company

The details provided below are indicative, and there may be additional terms, conditions and requirements under various documentation executed by our Company in relation to our indebtedness:

1. **Interest:** In terms of the facilities sanctioned to us, the interest rate shall be agreed with the lender at the time of disbursement. Our outstanding letter of credits have a commission of 0.50%.
2. **Pre-payment:** We are not authorized to prepay or foreclose the loans, in full or in part, before the due dates without the prior written approval from the bank. Our Company shall be liable to pay the bank charges at the rate of 4% of the sanctioned amount for pre-payment.
3. **Security:** Our facilities are typically secured by the creation of a hypothecation charge on all existing and future receivables / current assets / movable assets / movable fixed assets of our Company, mortgage charge on certain immovable properties or our Company and personal guarantees issued by our Promoters and Prabha Vijay Agarwal.
4. **Validity:** The term loan facility is valid till December 31, 2022. Our other facilities are valid till March 15, 2023.
5. **Key Covenants:** Our financing arrangements entail various conditions and covenants restricting certain corporate actions and we are required to take prior approval of the lender before carrying out such activities. For instance, certain actions prior to which our Company is required to obtain written consent of the lenders include:
  - (a) effectuating any change in our shareholding pattern;
  - (b) effectuating any change in the management of our Company;
  - (c) effectuating any change in the constitution of our Company;
  - (d) making any change to the name of our Company.
6. **Events of Default:** In terms of the facility agreement and the sanction letter, the following, among other, constitute events of default:

- (a) failure to promptly pay any amount owed as and when such amounts become due and payable;
- (b) any representation made by our Company is found to be false or misleading as of the date on which it was made or deemed to be made;
- (c) occurrence of any event or condition which, in the bank's opinion, constitutes or could constitute a material adverse effect;
- (d) any order being made or resolution being passed for the winding up of our Company;
- (e) the passing of any order of a court ordering, restraining or otherwise preventing our Company from conducting all or any material part of our business.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangement entered into by us.

7. ***Consequences of Events of Default:*** In terms of the facility agreement and sanction letter, the following, among others, are the consequences of occurrence of events of default, our lenders may:

- (a) declare due and payable, all or any part of the unpaid balance of the facilities granted together with accrued interest and all other amounts payable;
- (b) take immediate possession of and/or appoint received of the secured assets and all documents relating thereto;
- (c) sell or otherwise dispose of or deal with any or all of the secured assets, or any portion thereof, at any time after five days' written notice, by way of a public or private sale;
- (d) restrict payout by way of salary to directors (other than professional directors) or by way of payment of interest to other subordinated lenders or by way of dividend to shareholders;
- (e) formulate and implement a resolution plan, as required by RBI's framework on resolution of stressed assets.

This is an indicative list and there may be such other additional terms under the various borrowing arrangement entered into by us.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see *“Risk Factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition”* on page 53.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims for any direct or indirect tax liabilities; or (iv) proceeding (other than proceedings covered under (i) to (ii) above) which have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), involving our Company, Directors and/or Promoters (the “**Relevant Parties**”).

In relation to (iv) above, our Board in its meeting held on December 19, 2022, has considered and adopted a policy of materiality for identification of material litigation / arbitration (“**Materiality Policy**”). In terms of the Materiality Policy, the following shall be considered ‘material’ for the purposes of disclosure in the Draft Red Herring Prospectus:

- (i) any pending litigation / arbitration proceedings involving the Relevant Parties, in which the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate) in any such pending litigation / arbitration proceedings is equal to or exceeds 1.00% of our profit for the period (after tax), derived from the Restated Financial Information as at March 31, 2022. The profit for the period (after tax) of our Company for the Fiscal 2022 is ₹ 734.62 million, and accordingly, all litigation involving our Relevant Parties in which the amount involved exceeds ₹ 7.35 million have been considered as material, if any;
- (ii) any pending litigation / arbitration proceedings involving the Relevant Parties wherein the monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, irrespective of the amount involved in such litigation, including any litigation initiated against the Company under the Insolvency and Bankruptcy Code, 2016, as amended; or
- (iii) any pending litigation / arbitration proceedings involving the Relevant Parties where the decision in one litigation is likely to affect the decision in similar litigation, where the aggregate amount for such litigations exceed 1.00% of the profit for the period (after tax) of our Company derived from the Restated Financial Information as at March 31, 2022 even though the amount involved in an individual litigation may not exceed 1.00% of our Company’s profit for the period (after tax) of our Company, derived from the Restated Financial Information as at March 31, 2022.

Further, except as disclosed in this section, there are no (i) disciplinary actions taken against any of our Promoters by SEBI or any Stock Exchange in the five Fiscals preceding the date of this Draft Red Herring Prospectus; or (ii) litigation involving any Group Company which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by our Company, Directors, Group Companies or Promoters from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered a material litigation until such time that our Company, or such Director, Group Companies or Promoter, as the case may be, is impleaded as a defendant in proceedings before any judicial / arbitral forum. Further, FIRs initiated by and against the Company, its Directors, and its Promoters, if any, shall be disclosed in the Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, our Board, in its meeting held on December 19, 2022 has approved that a creditor of our Company shall be considered ‘material’ if the amount due to such creditor exceeds 5.00% of the trade payables of our Company as at the end of the latest period included in the Restated Financial Information. The trade payables of our Company as on June 30, 2022, were ₹ 468.46 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 24.32 million as on June 30, 2022.

Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.



## Litigation proceedings involving our Company

### (a) Criminal proceedings

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings involving our Company:

Our Company has filed a criminal complaint dated January 8, 2021 before the Metropolitan Magistrate's Court at Girgaon, Mumbai under Sections 138, 141 and 142 of the Negotiable Instruments Act, 1881, against Telangana Pharmatech and its proprietor, Dr. Sreedhar Donkena. Pursuant to the complaint, it has been alleged that two cheques dated October 25, 2020 and December 2, 2020, for a cumulative sum of ₹ 2.84 million, issued by Telangana Pharmatech in favour of our Company, were dishonoured due to insufficiency of funds. The matter is currently pending.

### (b) Actions by statutory or regulatory authorities

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Company:

1. The Gujarat Pollution Control Board (“GPCB”) issued a closure notice dated November 27, 2019 to our Company (“**First Closure Order**”) observing illegal disposal of hazardous wastes and, *inter alia* directing us to prohibit manufacturing at Unit I and Unit II with immediate effect. Following the First Closure Order, our Company undertook certain remedial measures pursuant to which GPCB by way of its interim order dated July 5, 2021 revoked the closure for a period of three months for both units. Before the expiry of these three months, GPCB issued another closure notice dated September 9, 2021 to our Company prohibiting manufacturing at our Unit I (“**Second Closure Order**”). However, on September 15, 2022, GPCB issued an order revoking the Second Closure Order for a duration of three months up to December 15, 2022. With a view to obtain a permanent revocation order, our Company has made applications with the GPCB on December 7, 2022 with respect to Unit I and on October 10, 2022 with respect to Unit II providing details of the actions and undertakings by the Company to ensure compliance with the applicable conditions. For further details, please see “*Risk Factors – We have in the past received closure notices from the Gujarat Pollution Control Board for our Unit I and Unit II located at Ankleshwar, Gujarat and Unit III located at Sarigam, Gujarat prohibiting manufacturing activities*” on page 38.

### (c) Claims related to direct and indirect taxes

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes involving our Company:

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Direct tax	5	24.32
Indirect tax	2	-
<b>Total</b>	<b>7</b>	<b>24.32</b>

### (d) Other material proceedings

Except as disclosed below, as on the date of this Draft Red Herring Prospectus there are no other proceedings involving our Company, which have been considered material by our Company in accordance with the Materiality Policy:

Our Company has filed an application dated October 22, 2020 under the Insolvency and Bankruptcy Code, 2016 against Waxsen Lifescience Private Limited (“**Waxsen**”) before the National Company Law Tribunal, Mumbai Bench for initiation of the corporate insolvency resolution proceedings against Waxsen owing to default in payment of their operational debt of ₹ 33.57 million owed to our Company. Our Company and Waxsen are currently under discussions to settle the dispute.

## Litigation proceedings involving our Directors

### (a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings involving any of our Directors:

### (b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Directors:

### (c) *Claims related to direct and indirect taxes*

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct or indirect taxes involving our Directors:

Director	Nature of cases	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Vijaykumar Raghunandanprasad Agrawal	Direct tax	5	3.77
Nimai Vijay Agrawal	Direct tax	3	5.53
Prabha Vijay Agarwal	Direct tax	1	0.01

### (d) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings involving any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

## Litigation proceedings involving our Promoters

### (a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings involving any of our Promoters.

### (b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Promoters.

### (c) *Claims related to direct and indirect taxes*

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct or indirect taxes involving our Promoters:

Director	Nature of cases	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Vijaykumar Raghunandanprasad Agrawal	Direct tax	5	3.77
Nimai Vijay Agrawal	Direct tax	3	5.53

### (d) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings involving any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(e) **Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange**

No disciplinary action has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

**Litigation proceedings involving our Group Companies**

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

**Outstanding dues to small scale undertakings or any other creditors**

In terms of the Materiality Policy, such creditors are considered ‘material’ to whom the amount due exceeds 5% of the trade payables of our Company as on June 30, 2022. Based on this, our Company owed a total sum of ₹ 468.46 million to a total number of 540 creditors as on June 30, 2022. The details of our outstanding dues to the ‘material’ creditors of our Company, MSMEs, and other creditors, as on June 30, 2022, are as follows:

Particulars	No. of creditors	Amount due (in ₹ million)
Micro, small or medium enterprises	166	184.67
‘Material’ creditors	6	230.04
Other creditors	370	169.97

*Note: Dues to micro, small and medium enterprise includes two material creditors amounting to ₹ 116.22 million. Net total creditors are 540 aggregating to ₹ 468.46 million in its ordinary course of business.*

For complete details of outstanding overdues to material creditors, see <http://survivaltechnologies.in/investor-relations>.

*It is clarified that such details available on our Company’s website do not form a part of this Draft Red Herring Prospectus.*

**Material Developments**

Except as stated in the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 308, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Set out below is an indicative list of licenses, approvals, registrations, and permits obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities, and except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are considered material and necessary for undertaking the current business activities and operations of our Company. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 200.*

*For Offer related approvals obtained by our Company, see “Other Regulatory and Statutory Disclosures” on page 359. For the incorporation details of our Company, see “History and Certain Corporate Matters” on page 206. For details of the risk associated with a delay in obtaining, or not obtaining, the requisite material approvals, see “Risk Factors – We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations” on page 37.*

### **I. Material approvals in relation to our business and operations**

#### ***Tax related approvals***

- a. Permanent account number and tax deduction account number issued by the Income Tax Department under the Income-tax Act, 1961;
- b. Goods and services tax registrations issued under the Central Goods and Services Tax Act, 2017, and the Maharashtra Goods and Services Tax Act, 2017;
- c. Certificates of registration issued under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 and the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

#### ***Business related approvals***

- a. Licenses to work a factory issued by the Directorate Industrial Safety & Health, Gujarat State under the Factories Act, 1948 to enable our Company to operate Unit I, Unit II, and Unit III.
- b. G.M.P. Certificate issued by the Food & Drugs Control Administration under the Drugs and Cosmetics Act, 1940 and the relevant rules framed thereunder, certifying the good manufacturing practices for the manufacture and testing of permitted drugs for Unit III.
- c. Consolidated consent and authorisation for Unit I, Unit II and Unit III issued by the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under the Environment Protection Act, 1986.
- d. Environmental clearance for bulk drug unit issued by the Ministry of Environment and Forests, Government of India for Unit II and Unit III.
- e. Certificate for use of a Boiler issued by the Gujarat Boiler Inspection Department for Unit III.

#### ***Labour / employment related approvals***

- a. Registration for employees’ provident fund issued by the Employees’ Provident Fund Organization under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

- b. Registration for employees' insurance issued by the sub regional office of the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.
- c. Certificate of registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

**Foreign trade related approvals**

- a. Importer-exporter code issued by the Office of the Additional Director General of Foreign Trade, Mumbai, Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

**II. Material approvals applied for, including renewal applications, but not received**

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals applied for, including renewal applications, that have not been received by our Company:

- a. Application dated October 10, 2022 made for permanent revocation of closure direction for Unit II to the Gujarat Pollution Control Board.
- b. Application dated December 7, 2022 made for permanent revocation of closure direction for Unit I to the Gujarat Pollution Control Board.
- c. Application dated March 21, 2022 made for renewal of recognition of in-house R&D unit located at Unit I to the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India.
- d. Application dated August 30, 2022 made for approval for storage of petroleum at Unit III to Petroleum & Explosives Safety Organisation (PESO), Ministry of Commerce & Industry, Government of India.
- e. Application dated December 21, 2022 for renewal of factory license for Unit I.

**III. Material approvals expired and renewals yet to be applied for**


As on the date of this Draft Red Herring Prospectus, there are no material approvals which have expired and for which renewal applications are yet to be made by our Company.

**IV. Material approvals required but not obtained or applied for**

As on the date of this Draft Red Herring Prospectus, there are no material approvals which are required but which have not been obtained or for which applications are yet to be made by our Company.

**V. Intellectual property**

As on the date on this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks, Mumbai under the Trade Marks Act, 1999:

Trademark	Class of registration
	1

For information about the intellectual property of our Company, see *“Our Business – Intellectual Property”* on page 197 and for risks associated with our intellectual property, see *“Risk Factors – While we have registered our corporate logo as trademark, any inability to protect our intellectual property from third party infringement may adversely affect our business and prospects”* on page 57.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated December 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 17, 2022.

Our Board has approved this Draft Red Herring Prospectus pursuant to their resolution dated December 28, 2022.

Each of the Selling Shareholder has, severally and not jointly, consented for inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Name of the Selling Shareholder	Number of Offered Shares in the Offer for Sale	Aggregate amount of Offer for Sale (in ₹ million)	Date of Selling Shareholder's consent letter
Vijaykumar Raghunandanprasad Agrawal	Up to [●]	5,444.14	December 15, 2022
Nimai Vijay Agrawal	Up to [●]	2,124.08	December 15, 2022
Prabha Vijay Agarwal	Up to [●]	431.78	December 15, 2022

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the persons in control of our Company, our Directors, the members of the Promoter Group and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to the Company, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

There are no outstanding 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 basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- (d) Our Company has not changed its name in the last one year, other than for deletion of the word “private” consequent to the conversion of our Company from a private limited company to a public limited company.

Our Company did not have any subsidiaries or associate companies in Fiscal 2022, Fiscal 2021 and Fiscal 2020, and accordingly, the financial information of our Company for such periods is available only on a standalone basis. Our Company’s restated net tangible assets, restated monetary assets, restated monetary assets as a percentage of restated net tangible assets, operating profit and net worth, derived from the Restated Financial Information included in this Draft Red Herring Prospectus, as at and for the Fiscals ended March 31, 2022, 2021, and 2020 is set forth below:

**Statement showing calculation of restated net tangible assets of the Company, including the percentage thereof which are held in monetary assets**

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Restated net tangible assets	917.71	1,476.55	2,192.27
Restated monetary assets	30.67	302.78	181.68
Restated monetary assets as a percentage of restated net tangible assets (%)	3.34%	20.51%	8.29%

**Note 1: Composition of restated net tangible assets**

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Total Assets	1,617.23	1,949.99	2,873.56
<b>Less:</b>			
Intangible Assets	(0.64)	(0.39)	(0.24)
Right of use assets	(58.79)	(54.41)	(88.83)
Deferred tax assets	-	-	(12.47)
Total Liabilities	(654.28)	(425.78)	(620.34)
<b>Add:</b>			
Lease Liabilities	7.95	3.50	40.59
Deferred tax Liabilities	6.24	3.64	-
<b>Net Tangible Assets</b>	<b>917.71</b>	<b>1,476.55</b>	<b>2,192.27</b>

Net tangible assets means the sum of all the assets of our Company excluding intangible assets, right of use assets and deferred tax assets(net) reduced by total liabilities (excluding lease liability and deferred tax liability) of the Company.

**Note 2: Composition of restated monetary assets**

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Cash and Cash Equivalents	11.60	73.06	85.68
Other Balances with Banks	19.07	229.72	96.00
<b>Restated Monetary Assets</b>	<b>30.67</b>	<b>302.78</b>	<b>181.68</b>

Monetary assets means cash and cash equivalents and bank balances other than cash and cash equivalents (excludes Bank deposits with remaining maturity of more than twelve months).

**Statement of average restated pre-tax operating profits of the Company**

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Operating profit	306.89	659.37	876.95
Average of the restated operating profit based on the preceding three years (March 31, 2022, 2021 and 2020)	614.40		

**Note 1: Composition of operating profit**

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Profit Before Tax	294.00	745.06	970.45



Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Less: Other Income	(10.49)	(95.65)	(98.91)
Add: Finance Costs	23.38	9.96	5.41
Operating Profit	306.89	659.37	876.95

*Restated operating profit means Restated profit before tax excluding other income and finance expense.*

#### Statement showing calculation of restated net worth of the Company

*(₹ in million, unless otherwise stated)*

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Restated Net worth	962.95	1,524.21	2,253.22

#### Note 1: Composition of net worth

*(₹ in million, unless otherwise stated)*

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2021	March 31, 2022
Equity Share Capital	57.50	57.50	57.50
Other Equity	905.45	1,466.71	2,195.72
<b>Net worth</b>	<b>962.95</b>	<b>1,524.21</b>	<b>2,253.22</b>

*Net worth amounts are calculated as sum of equity share capital and other equity.*

Our Company has operating profits in each of Fiscal 2022, 2021 and 2020 based on the above tables. Our average operating profit for Fiscals 2022, 2021 and 2020 is ₹ 614.41 million.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

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 Regulation 5 of the SEBI ICDR Regulations are as follows:

- None of our Company, our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- None of our Promoters or Directors are 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 or a Fraudulent Borrower.
- 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 warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive, Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders, severally and not jointly, confirms that they 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 BOOK RUNNING LEAD MANAGERS, JM FINANCIAL LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED 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 DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

**Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers**

Our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each Selling Shareholder and their respective affiliates and associates accept or undertake no responsibility for any statements other than those undertaken or confirmed by such Selling Shareholder in relation to themselves and their respective portion of the Offered Shares.

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders, and our Company.

All information shall be made available by our Company, the Selling Shareholders, severally and not jointly (to the extent that the information pertain to themselves and their respective portions of the Offered Shares through the Offer Documents), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Prospective 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, Book Running Lead Managers 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, Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and their respective 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 Promoters, members of the Promoter Group, the Selling Shareholders and their respective directors, officers, 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 (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to 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.**

Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in**

**compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered and Sold in this Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged

or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

### **European Economic Area**

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Regulations, if they have been implemented in that Relevant Member State:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Regulations;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Directive), subject to obtaining the prior consent of the BRLMs; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 23 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public” in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Directive” means Regulation (EU) 2017/1129.

### **United Kingdom**

No Equity Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus will be 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 will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

### **Listing**

The Equity Shares issued pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Applications will be made to the BSE and NSE for obtaining their permission for the listing and trading of the Equity Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law 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. If the Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

### **Consents**

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Independent Chartered Accountant, Chartered Engineer, legal counsel to the Company as to Indian law, legal counsel to the Book Running Lead Managers as to Indian law, Banker to our Company, international legal counsel to the Book Running Lead Managers, the Book Running Lead Managers, the Registrar to the Offer, and CRISIL Research have been obtained; and consents in writing of the Monitoring Agency, Syndicate Members, Public Offer Account Bank, Sponsor Bank(s), Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

### **Experts to the Offer**

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

Our Company has received written consent dated December 28, 2022, from our Joint Statutory Auditors, SRBC & Co LLP, Chartered Accountants and Lodha & Co., to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors and in respect of their (i) examination report dated December 20, 2022 on our Restated Financial Information; and (ii) report dated December 27, 2022 on the statement of special tax benefits available to our Company and included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has also received written consent dated December 28, 2022, from Lodha & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.

Additionally, our Company has also received written consent dated December 28, 2022, from the Chartered Engineer, Chetan Kishore, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on capacity and capacity utilization, included under “*Our Business*” on page 174 of this Draft Red Herring Prospectus.

### **Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects**

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.



**Performance vis-à-vis objects – Last issue of subsidiaries and promoters**

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter or subsidiary.

**Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

**Capital issue during the previous three years by our Company**

Other than as disclosed in “*Capital Structure*” on page 90, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

**Capital issue during the previous three years by listed subsidiaries or associates of our Company**

Our Company does not have any listed subsidiaries or associates, as on the date of this Draft Red Herring Prospectus.

## Price information of past issues handled by the BRLMs

### A. JM Financial Limited

#### 1. Price information of past issues handled by JM Financial Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in –losing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in –losing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in –losing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	Uniparts India Limited <sup>#</sup>	8,356.08	577.00	December 12, 2022	575.00	Not Applicable	Not Applicable	Not Applicable
2.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	Not Applicable	Not Applicable
3.	Bikaji Foods International Limited <sup>#9</sup>	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	Not Applicable	Not Applicable
4.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	Not Applicable	Not Applicable
5.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	Not Applicable	Not Applicable
6.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	Not Applicable	Not Applicable
7.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	10.68% [4.65%]	Not Applicable
8.	Paradeep Phosphates Limited <sup>#</sup>	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
9.	Life Insurance Corporation of India <sup>#8</sup>	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
10.	Campus Activewear Limited <sup>*7</sup>	13,997.70	292.00	May 5, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	91.04% [11.14%]

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

<sup>#</sup> BSE as Designated Stock Exchange

\* NSE as Designated Stock Exchange

Notes:

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of ₹ 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹ 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of ₹ 60 per Equity Share was offered to Policy holders.
- A discount of ₹ 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- Not Applicable – Period not completed.

**2. Summary statement of price information of past issues handled by JM Financial Limited:**

Financial Year	Total no. of IPOs	Total funds raised (₹ millions)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	10	3,12,020.53	-	1	1	-	5	2	-	1	-	1	1	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

**B. ICICI Securities Limited**

**1. Price information of past issues handled by ICICI Securities Limited (during the current Fiscal and two Fiscals preceding the current financial year):**

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Adani Wilmar Limited^^	36,000.00	230.00 <sup>(1)</sup>	February 8, 2022	227.00	+48.00%, [-5.34%]	+180.96%, [-4.95%]	+193.26%, [+0.76%]
2.	Vedant Fashions Limited^^	31,491.95	866.00	February 16, 2022	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
3.	Life Insurance Corporation of India^	2,05,572.31	949.00 <sup>(2)</sup>	May 17, 2022	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-33.82%, [+13.76%]
4.	Prudent Corporate Advisory Services Limited^	4,282.84	630.00 <sup>(3)</sup>	May 20, 2022	660.00	-20.71%, [-5.46%]	-2.10%, [+10.92%]	+26.23%, [+13.89%]
5.	Paradeep Phosphates Limited^	15,017.31	42.00	May 27, 2022	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	+31.19%, [+11.91%]
6.	Syrma SGS Technology Limited^	8,401.26	220.00	August 26, 2022	262.00	+31.11%, [-1.25%]	+29.20%, [+4.55%]	NA*
7.	Fusion Micro Finance Limited^^	11,039.93	368.00	November 15, 2022	359.50	+9.86%, [+1.40%]	NA*	NA*
8.	Five Star Business Finance Limited^^	15,885.12	474.00	November 21, 2022	468.80	+29.72%, [+1.24%]	NA*	NA*
9.	Archean Chemical	14,623.05	407.00	November 21, 2022	450.00	+25.42%, [+1.24%]	NA*	NA*

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
	Industries Limited^^							
10	Landmark Cars Limited^	5,520.00	506.00 <sup>(4)</sup>	December 23, 2022	471.30	NA*	NA*	NA*

\*Data not available.

^BSE as designated stock exchange

^^NSE as designated stock exchange

<sup>(1)</sup> Discount of ₹ 21 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 230.00 per equity share.

<sup>(2)</sup> Discount of ₹ 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of ₹ 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of ₹ 949.00 per equity share.

<sup>(3)</sup> Discount of ₹ 59 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 630.00 per equity share.

<sup>(4)</sup> Discount of ₹ 48 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 506.00 per equity share.

## 2. Summary statement of price information of past issues handled by ICICI Securities Limited:

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%
2022-23*	8	2,80,341.82	-	1	2	-	3	1	-	1	-	-	2	-
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2

\* This data covers issues up to YTD

### Notes:

- Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
- Similarly, benchmark index considered is “NIFTY 50” where NSE is the designated stock exchange and “S&P BSE SENSEX” where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.  
30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

### Track record of past issues handled by the BRLMs

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012, issued by SEBI, please see the website of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	JM Financial Limited	www.jmfl.com
2.	ICICI Securities Limited	www.icicisecurities.com

### 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.

### Mechanism for Redressal of Investor Grievances in the Offer

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 date of listing and commencement of trading of the Equity Shares pursuant to the Offer to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For offer related grievances, investors may contact the Book Running Lead Managers, details of which are given in "General Information" on page 80.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

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, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, 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.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

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

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Managers, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

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

### **Disposal of Investor Grievances by our Company**

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders Relationship Committee, please see “*Our Management*” on page 210.

Our Company has also appointed Reena Shivram Yadav, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, “*General Information – Company Secretary and Compliance Officer*” on page 81. Each of the Selling Shareholders, severally and not jointly, has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to deal with, on their behalf, any investor grievances received in the Offer in relation to their respective portion of the Offered Shares.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

### **Exemptions from complying with any provision of securities laws, if any, granted by SEBI**

Our Company has not been applied for an exemption from complying with any provisions of securities laws by SEBI.

## SECTION VIII - OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued, 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 of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this 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 by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer*”, on page 101.

#### Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association 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*” on page 408.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 232 and 408, respectively.

#### Face Value, Price Band and Offer Price

The face value of the Equity Shares is ₹2. 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 Offer Price, Price Band and minimum Bid Lot 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 [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, 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 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 rights, 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 surplus on liquidation subject to any statutory and preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, see "*Main Provisions of the Articles of Association*" on page 408.

## **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, 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 August 26, 2022, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated August 25, 2022, amongst our Company, CDSL and Registrar to the Offer.

## **Market Lot and Trading Lot**

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 386.

## **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders 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 "*Bid / Offer Programme*" on page 378.

## **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate 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 Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

## Bid/ Offer Programme

<b>BID/ OFFER OPENS ON</b>	[●] <sup>(1)</sup>
<b>BID/ OFFER CLOSES ON</b>	[●] <sup>(2)</sup>

- <sup>(1)</sup> 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. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations
- <sup>(2)</sup> 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.
- <sup>(3)</sup> UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\* In case of (i) 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 for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more

than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB 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. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

**The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.**

**While the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder, severally and not jointly, 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.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid / Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.**

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST)
<b>Bid/ Offer Closing Date</b>	
Submission and Revision in Bids*	Only between 10.00 a.m. and 3.00 p.m. IST

\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this 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 will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. 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.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

**In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, 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 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 Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

#### **Minimum Subscription**

In the event our Company does not receive (i) 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 in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each 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 and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders and any expenses and interest shall be paid to the extent of their respective portion of the Offered Shares.

#### **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.

#### **New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

#### **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*" on page 90, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 408.

#### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

#### **Withdrawal of the Offer**

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed.

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(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this 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 ₹10,000.00 million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2,000.00 million by our Company and an Offer of Sale of up to [●] Shares aggregating up to ₹8,000.00 million by the Selling Shareholders. The Offer shall 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 at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, it will be at a price to be decided by our Company in consultation with the BRLMs, and the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

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 allocated to QIB Bidders. However, 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	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*	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above</p> <p>Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	<p>The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following:</p> <p>(i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and</p> <p>(ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.</p> <p>The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in</p>	<p>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" on page 386.</p>

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
		the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 386.	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000, and in multiples of [●] Equity thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law	Such number of Equity Shares 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 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 [●] 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, 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 karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
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 (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding <sup>^</sup>	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)

\* Assuming full subscription in the Offer

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.



- (1) *Our Company and the Selling Shareholders 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. 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” on page 386.*
- (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 QIBs. 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 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. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.*
- 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” on page 376.*
- (3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

*Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 392 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*

*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, see “Terms of the Offer” on page 376.*

## 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.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act 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 proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, 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 vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular came into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

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 lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the BRLMs 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.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the BRLMs 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 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. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

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 on proportionate basis, 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.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021.**

**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 UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Phased implementation of UPI for Bids by RIBs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- (a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

- (b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- (c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLMs will be required to compensate the concerned investor.

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 UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### ***Electronic registration of Bids***

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Offer.
- b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **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 Centers and at our Registered and 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.

Copies of the Anchor Investor Application Form 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.

Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI 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. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. 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.

Since the Offer is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Non Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, 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) and BSE (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 UPI 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 UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

**Participation by Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or their respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers” if: (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.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter 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 in consultation with BRLMs reserves 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 UPI 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 UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. 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.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to the special resolution dated December 17, 2022, passed by our Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-

Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 406.

### **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 increase 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 can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company 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).

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.

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.

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 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 any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

**There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (“**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.

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, reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee 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 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 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, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs, may deem fit.

### **Bids by 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.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date, and will be completed on the same day.
- (e) Our Company and the Selling Shareholders in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:
  - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
  - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor

- Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
- in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- (f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the 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.
- (i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) can apply in the Offer under the Anchor Investor Portion.
- (j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids

**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 Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

## **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], a widely circulated English national daily newspaper, [●] editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, 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 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;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI 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. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;

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. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
11. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Collecting Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
14. 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;
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. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) 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. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
27. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
29. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the 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(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;
30. UPI 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;
31. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) 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;
32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
34. Ensure that ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m.

of the Working Day immediately after the Bid / Offer Closing Date.

36. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs)
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Bids by HUFs not mentioned correctly as provided in “- *Bids by HUFs*” on page 392;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
13. 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;
14. Do not submit your Bid after 3.00 pm on the Bid / Offer Closing Date;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date;
16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
17. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;



19. Do not submit the General Index Register (GIR) number instead of the PAN;
20. 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;
21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
22. 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;
23. 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;
24. 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;
25. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
26. Do not 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);
27. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI 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;
28. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
29. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
30. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
31. 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 UPI Bidders using the UPI Mechanism); and
32. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 81.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid / Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Offer Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Offer Closing Date, unless extended by the Stock Exchanges.

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 80.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the 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, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

### **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 Allotment Advice 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.

### **Allotment Advertisement**

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of a widely circulated English national daily newspaper, [●], [●] editions of a widely circulated Hindi national daily newspaper, [●] and Mumbai editions of a widely circulated Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

### **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 amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 26, 2022, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated August 25, 2022, amongst our Company, CDSL and Registrar to the Offer.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable

- law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid / Offer Closing Date or such other time as may be prescribed;
  - (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
  - (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
  - (vi) that if our Company does not proceed with the 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;
  - (vii) 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 the Selling Shareholders subsequently decide to proceed with the Offer thereafter;
  - (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
  - (ix) that except for any allotment of Equity Shares pursuant to 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.

#### **Undertakings by the Selling Shareholders**

The Selling Shareholders, severally and not jointly, undertake the following in respect of themselves as the Selling Shareholders, and the Offered Shares:

- (i) that 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 the Offered Shares;
- (iii) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- (iv) that the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;
- (v) 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 the Offered Shares;

- (vi) that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- (vii) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (viii) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

#### **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.

#### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: “*Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*” The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. 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. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The 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 until the DPIIT issues an updated circular.

As per the current FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. In the event such prior approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 386.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations

## SECTION IX – 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 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

### **Applicability of Table F**

The regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013, shall not apply to the Company, except as are specifically contained or expressly made applicable in these Articles. The regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or additions to, its regulations by resolutions as prescribed by said Companies Act, 2013, be such as are contained in these Articles.

### **SHARE CAPITAL**

Article 3 provides that “The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association of the Company with power to increase or reduce the capital in accordance with the Company’s regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.”

Article 4 provides that “Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit. Subject to the provisions of the Act and these Articles, the Board may give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board may think fit, and may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares.

Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.”

Article 5 provides that “Subject to the provisions of Section 61 and 64 of the Act, the clauses relating to alteration of capital as provided in Table F of the Act will be applicable to the Company.”

Article 6 provides that “The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- (a) Equity share capital with voting rights;
- (b) Equity share capital with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (c) Preference share capital”

Article 7 provides that-

- A. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of rights issue, employees’ stock option, preferential offer or private placement either for cash or for a consideration other than cash subject to and in accordance with the Act and the Rules, including any amendment thereof from time to time.
- B. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:
  - a) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares; the offer shall be made by



notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined, such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice referred to in this clause shall contain a statement of this right;

- b) to employees under a scheme of employees' stock option subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws,
- c) to any persons, if authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or (b) above.

The further issue shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under the Act and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company

C. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the Company:

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term has been approved before the issue of such debentures or the raising of loan by a special resolution adopted by the Company in a general meeting.

Provided further that, notwithstanding anything contained above, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion; provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within 60 (sixty) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit subject to and in accordance with the Act and the Rules, including any amendment thereof from time to time."

Article 8 provides that "Subject to provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes, which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act."

Article 9 provides that "The holder of preference shares shall have a right to vote only on resolutions that directly affect the rights attached to his preference shares."

Article 10 provides that "Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting. 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"

Article 11 provides that "Any Debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution."

Article 12 provides that "Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approvals of the Shareholders in the general meeting issue sweat equity shares and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf."

Article 13 provides that “Subject to the provisions of the Act and the Applicable Law, the Company may issue shares to employees including its Directors other than Independent Directors (as provided under the Act) 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.”

Article 14 provides that “The Company may issue fully paid-up bonus shares to its members out of free reserves, the securities premium account or the capital redemption reserve accounts. Provided that no issue of bonus shall be made by capitalizing reserves created by revaluation of assets. The Company in pursuance of articles shall have the power to capitalize its reserves or profits for the purpose of issuing fully paid up shares provided it has been authorized in the general meeting of the members, not defaulted in the payment of interest or principal in respect of fixed deposits or debt securities issued by it, not defaulted in respect of the payment of statutory dues of employee, such as contribution to provident fund, gratuity and bonus, the partly paid up shares, if any outstanding on the date of allotment are made fully paid up, and complies with such other condition. The Company shall not issue bonus shares in lieu of dividend.”

Article 15 provides that “Subject to the approval of the President, the Company may issue Securities, other than shares and debentures, in accordance with the provisions of Section 42, 71 and other applicable provisions of the Act and rules made thereunder and these Articles.”

Article 16 provides that “Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.”

Article 17 provides that “The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected under applicable provisions of the Act. Except to the extent permitted by Section 67 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of, or in connection with the purchase or subscription made or to be made by any person or for any shares in the Company. Nothing in this Article shall affect the right of the Company to redeem any preference shares issued by the Company or to buy back any securities of the Company.”

Article 18 provides that “The Company may from time to time by special resolution reduce its share capital in any way authorized by the Act and in accordance with the Rules reduce (a) its share capital; and/or (b) capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.”

Article 19 provides that “Notwithstanding anything contained in the Articles but subject to Section 68 to 70 of the Act and other relevant provisions of the Act and the Rules or any other law for the time being in force, the Company may purchase its own shares or other securities.”

Article 20 provides that “The Company may in General Meeting alter the condition of its Memorandum as follows:

- A. Increase its share capital by such sum, to be divided into shares of such amount, as it thinks expedient.
- B. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- C. Provided that no consolidation and division which results in changes in voting percentage of shareholders shall take place without obtaining the applicable approvals under the Act.
- D. Sub-divide its shares or any of them into shares of smaller amounts than is originally fixed by the Memorandum subject to the provisions of the Act and of these Articles.
- E. Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person.

Article 21 provides that “The rights conferred upon the holders of the shares of any class issued with preferred, or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari-passu* therewith.”

Article 22 provides that “If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of the applicable Act and whether or not the Company is being wound up, be varied with the consent in writing 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 meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to General Meeting (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.”

## **SHARES**

Article 23 provides that “Share shall mean a share in the share capital of the Company and shall include stock.”

Article 24 provides that “The shares in the capital of the company shall be numbered progressively (according to their respective denominations) and except in the manner mentioned in these Articles, no share shall be subdivided.”

Article 25 provides that “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act and the Rules framed thereunder if any. The Company shall however be entitled to maintain a register of members with details of members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.”

Article 26 provides that “Shares may be issued and held either in physical mode or in dematerialized state with a depository. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.”

Article 27 provides that “All securities held by a Depository shall be in a fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

Article 28 provides that “Notwithstanding anything contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided by law or in these Articles, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company and shall have the right to vote and other rights in respect of the securities.”

Article 29 provides that “If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall, on receipt of intimation as above, make appropriate entries in its record and shall inform the Company accordingly. The Company shall within 30 days of the receipt of the intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.”

Article 30 provides that “Notwithstanding anything to the contrary contained in these Articles (i) Section 45 of the Act shall not apply to the shares with a Depository; (ii) Section 56 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.”

Article 31 provides that “Where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.”

Article 32 provides that “Stamp duty would be payable on transfer of shares and securities held in dematerialized form as per the relevant regulatory provisions.”

Article 33 provides that “In case of transfer of securities, where the Company has not issued any certificate and where such securities are being held in an electronic and fungible form by a Depository, the provisions of the Depositories Act shall apply.”

Article 34 provides that “Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of members as the holder of any share, and the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or as by law be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it has express or implied notice thereof.”

## **JOINT HOLDERS**

Article 35 provides that “Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint-tenants with benefits of survivorship subject to the provisions contained in these Articles.”

Article 36 provides that “The Company shall be entitled to decline to register more than four persons as the joint-holders of any share.”

Article 37 provides that “The joint-holders of any shares 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 shares.”

Article 38 provides that “On the death of any one or more joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.”

Article 39 provides that “Any one of such joint-holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such shares.”

Article 40 provides that “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, if any, relating to such share or to receive documents and notices from the Company and any documents and notices served on or sent to such person shall be deemed served on all the joint-holders.”

Article 41 provides that “Any one of two or more joint-holders may vote at any meeting, either personally or by attorney duly authorized under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present, whose name stands first or higher (as the case may be) on the register in respect of such share, shall alone be entitled to vote in respect thereof. Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorized under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher as the case may be in the register in respect of such shares.”

Article 42 provides that “All executors or administrators of a deceased member in whose name any share stands shall for the purpose of these Articles be deemed to be joint-holders.”

Article 43 provides that “The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint name.”

## **CERTIFICATE**

Article 44 provides that “With respect to shares in physical form, every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name,

or if the Board of Directors so approve (upon paying such fees as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. 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 holders. Every certificate of shares shall be under the seal of the Company and shall specify the distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form as prescribed under the Company (Share Capital and Debenture) Rules, 2014.”

Article 45 provides that “The certificate of title to shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors duly authorized by the Board of Directors; and (ii) the Company Secretary or some other person authorized by the Board for the purpose.

Provided that at least one of the aforesaid two directors shall be person other than the Managing Director or Whole Time Director. A Director may sign a share certificate by fixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed but not by means of a rubber stamp. Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder as may be in force for the time being and from time to time.”

Article 46 provides that “If any certificate is 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. If any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given and on payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate, under this Article, shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 50 for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. The Company shall issue a duplicate certificate within 15 days from the date of submission of complete documents with the Company.

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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debentures of the company.”

## **CALLS**

Article 47 provides that “The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit (not being more than one-fourth of the nominal value of the share) upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times; and each member shall pay the amount of every call so made on him to the Company at the time appointed by the Board (not being earlier than one month from the date fixed for the payment of the last preceding call). A call may be made payable by installments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 48 provides that “Where after the commencement of the Act, any calls for further capital are made on shares; such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under same class.”

Article 49 provides that “If by the terms of issue of shares, any amount shall be payable by installments, then every such installment, when due, be paid to the Company by the person, who for the time being and from time to time is or shall be the registered holder of the share or the legal representative of the deceased registered holder.”

Article 50 provides that “14 days’ notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Board may by notice in writing to the members revoke the same.”

Article 51 provides that “A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.”

Article 52 provides that “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 shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls including as to payment of interest and expenses, forfeiture or otherwise shall relate to such amount or installment accordingly.”

Article 53 provides that “If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate not exceeding 10 (ten) per cent per annum as the Board shall fix, from the day appointed for the payment thereof to the time of actual payment. The Board may waive payment of such interest wholly or in part at its discretion.”

Article 54 provides that “The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the shares held by the Member beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

No Member shall be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.”

## **FORFEITURE, SURRENDER AND LIEN**

Article 55 provides that “If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on the day appointed for the payment of the same, the Board of Directors may, at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.”

Article 56 provides that “The notice shall name a day (not being less than 14 days from the date of the notice) on or before which such call, installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.”

Article 57 provides that “If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.”

Article 58 provides that “Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall think fit.”

Article 59 provides that “The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.”

Article 60 provides that “Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from the time of the forfeiture until payment at such rate not exceeding the rate as the Board of Directors may determine and may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.”

Article 61 provides that “The Board of Directors may subject to the provisions of the Act accept a surrender of any share from or by any member desirous of surrendering shares of the Company on such terms, as they think fit.”

Article 62 provides that “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 Board may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Article.”

Article 63 provides that “Fully paid shares of the Company shall be free from all lien. In the case of partly paid shares, the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.”

Article 64 provides that “For the purpose of enforcing such lien, the Board 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 his executor or administrator or legal representative or the person (if any) entitled by transmission to the share and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for 7 (seven) days after such notice. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and be of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.”

Article 65 provides that “The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such members and the residue (if any) paid to such member or executor or administrator or legal representative or the person (if any) entitled by transmission to the shares so sold.”

Article 66 provides that “A duly verified declaration in writing under the hands of a Director, Manager or Secretary that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Board to that effect, on a date mentioned in the declaration, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.”

Article 67 provides that “The Company may receive the consideration, if any, for the share on any sale or other disposition thereof and the person to whom such share is sold or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share.”

Article 68 provides that “The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to the calls on any other securities including debentures of the Company.”

## **TRANSFER AND TRANSMISSION OF SHARES**

Article 69 provides that “Subject to the provisions of the Act, the shares or debentures and any interest therein of the Company shall be freely transferable.”

Article 70 provides that “The Board shall not register a transfer of securities of the Company held in physical form, unless a proper instrument of transfer, in the form prescribed under the Companies (Share Capital and Debentures) Rules, 2014, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities, provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, 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 security holder any person to whom the right to any securities of the Company has been transmitted by operation of law.”

Article 71 provides that “The instrument of transfer shall be in writing and all provisions of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Every such instrument of transfer shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof. A common form of transfer shall be used in case of transfer of shares.”

Article 72 provides that “An application for the registration of a transfer of the shares of the Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice in the format prescribed of the application to the transferee and the transferee makes no objection to the transfer within 2(two) weeks from the receipt of the notice.”

Article 73 provides that “Subject to the provisions of the Act, these Articles and any other law for the time being in force, the Board may refuse, whether in pursuance of any power of the company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company.

The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.”

Article 74 provides that “The Board may decline to recognize any instrument of transfer unless: a) the instrument of transfer is in the form prescribed in the Companies (Share Capital and Debentures) Rules, 2014; b) the instrument of transfer is accompanied by the certificate of shares which it relates, and such other evidence as the Board may reasonably require, to show the right of the transferor to make the transfer; c) the instrument of transfer is in respect of only one class of shares.”

Article 75 provides that “A transfer of a security in the Company of a deceased member thereof made by the legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.”

Article 76 provides that “The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of 10 years or more.”

Article 77 provides that “If the Company refuses to register the transfer of any share, it shall within 30 days from the date on which the instrument of transfer was delivered to the Company, send notice along with the reasons thereof for refusal to the transferor and the transferee.”



Article 78 provides that “The executors or administrators of a deceased member or a holder of a succession certificate shall be the only person whom the Company will be bound to recognize as having any title to the shares registered in the name of the deceased member except in case of joint holders, in which case the surviving holder shall be the only person entitled to be so recognized. The Company shall not be bound to recognize an executor or administrator unless such executor or administrator shall have first obtained probate or letters of administration or other legal representation as the case may be, from a duly constituted court in India or by any order or notification of Central or State government, court or authority authorized by law to grant such probate or letter of administration or other legal representation, provided that in special cases only and where it would be lawful for the Directors to do so, the Directors may dispense with the production of probate or letter of administration or succession certificate or other legal representation and upon such terms of indemnity or otherwise, register the name of any person who claims to be absolutely entitled to the security standing in the name of a deceased member, as a member.”

Article 79 provides that “Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means, other than by transfer in accordance with these presents may, with the consent of the Board of 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 his title as the Board of Directors shall require, either be registered as a member in respect of such shares or make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and if he elects to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of the Act and these Articles relating to the right of transfer and registration of transfers of shares shall be applicable to any notice or transfer as set out in these Articles as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. This Article is herein referred to as the Transmission Clause.”

Article 80 provides that “Every transmission of a share shall be verified in such manner as the Board 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 Board at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.”

Article 81 provides that “Any person becoming entitled to a share by reason of death, lunacy, insolvency or other lawful means, shall be entitled to the same dividends and other advantages to which he would be entitled as if he were the registered owner of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.”

Article 82 provides that “The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of 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 transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereof, if the Board shall so think fit.”

Article 83 provides that “No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.”

Article 84 provides that

- A. Every holder of security of the Company may at any time nominate in the prescribed manner a person to whom his securities shall vest in the event of his death.
- B. Where the securities of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner a person to whom all the rights in the securities shall vest in the event of death of all the joint holders.
- C. Notwithstanding anything contained in any other law for the time being in force or in any depositions, whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the Company, the nominee shall on the death of the holder of the security holder or as the case may be on the death of the joint holders, become entitled to all the rights in the securities to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
- D. Where the nominee is a minor, it shall be lawful for the holder of the securities making the nomination to appoint, in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of the death of the nominee during the minority.
- E. Subject to the provisions of the Act, all other provisions of the Articles, the benefits and advantages available to the transferee shall be available to the nominee of such shares.”

Article 85 provides that “The provisions of these Articles relating to transfer and transmission of shares shall *mutatis mutandis* apply to the transfer and transmission of any other securities including debentures of the Company.”

### **CONVERSION OF SHARES INTO STOCK**

Article 86 provides that “The Company may subject to the provisions of the Act, by a resolution of the Company in General Meeting (i) convert any paid-up shares into stock; and (ii) re-convert any stock into paid-up shares of any denomination.”

Article 87 provides that “The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstance admit. Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, however such minimum shall not exceed the nominal amount of the shares from which the stock arose.”

Article 88 provides that “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 held the shares from which the stock arose; but no such privilege or advantage (except dividends, participation in profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.”

Article 89 provides that “Such of the regulations and Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.”

### **TERMS OF ISSUE OF DEBENTURES**

Article 90 provides that “Any debentures, debenture-stock or other securities may be issued at premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, either wholly or partly, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, right of debenture holders to attend (but not vote) at the General Meeting of the Company, appointment of Directors and otherwise. Debentures with the right to conversion into shares, wholly or in part, shall be issued only with the consent of the Company in the General Meeting. The Company shall comply with all the provisions of the Act and the conditions specified in the Rules in this regard.”

Article 91 provides that “Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.”

Article 92 provides that “Debentures or debenture-stock, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.”

## **GENERAL MEETING**

Article 93 provides that “The Company shall in addition to any other meetings of the members hold a general meeting as its ‘Annual General Meeting’ at the intervals and in accordance with the provisions of the Act. Every Annual General Meeting shall be called for at a time during business hours (between 9 A.M. to 6 P.M.) and on such day (not being a national holiday) as the Directors may determine and it shall be held either at the Registered Office of the Company or at some other place within the city where the Registered office of the Company is located. The notice calling the meeting shall specify it as the Annual General Meeting.”

Article 94 provides that “All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.”

Article 95 provides that “The Board of Directors may call an Extraordinary General Meeting whenever they think fit. If at any time, the Directors capable of acting, who are sufficient in number to form a quorum are not within India, any Director or any two members may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.”

Article 96 provides that “Subject to the provisions of the Act, an EGM can be called by requisitionist as and when necessary and shall be held in the same manner in which meetings are called for and held by the Board.”

Article 97 provides that “All provisions of the Act and the Rules made thereunder regarding Notice of the Meeting and explanatory statement shall apply to the Company.”

Article 98 provides that “A General Meeting of the Company may be called by giving not less than 21 days’ notice either in writing or through electronic mode in such manner as prescribed under the Act and the Companies (Management and Administration) Rules, 2014; provided that a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting.

The accidental omission to give any such notice to or the non- receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.”

## **PROCEEDINGS AT GENERAL MEETING AND ADJOURNMENT OF MEETING**

Article 99 provides that “The quorum for a General Meeting shall be: (i) 5 members personally present if the number of members as on the date of meeting is not more than 1000; (ii) 15 members personally present if the number of members as on the date of meeting is more than 1000 but up to 5000; (iii) 30 members personally present if the number of members as on the date of the meeting exceeds 5000.

No business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of business.”

Article 100 provides that “If within half an hour after the time appointed for the holding of a General Meeting, a quorum is not present, the meeting which is convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Board of Directors may determine. If at such adjourned meeting a quorum is not present within half-an-hour, those members present shall be a quorum and may transact the business for which the meeting was called.”

Article 101 provides that “No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.”

Article 102 provides that “The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting of the Company, but if there be no such Chairman, or in case of his absence or refusal, the Co- Chairperson of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Co- Chairperson or if the Co- Chairperson is not present within 15 minutes after the time appointed for holding

the meeting, or is unwilling to act as Co- Chairperson, any Director present shall be chosen as the Chairperson of the Meeting.”

Article 103 provides that “If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman of the Board or by the Co- Chairperson or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present by show of hands or poll or electronically shall choose one of them to be the Chairman of the meeting.”

Article 104 provides that “No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.”

Article 105 provides that “In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.”

Article 106 provides that “The Chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time and place to place.”

Article 107 provides that “When a meeting is adjourned for 30 days or more, notice of the adjournment of the business to be transacted at an adjourned meeting is to be given to the members. Save as aforesaid and as provided in the Act, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting.”

Article 108 provides that “At any General Meeting a resolution put to the vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands. Voting by show of hands would not be allowed in case the voting is already carried out electronically.”

Article 109 provides that “Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and holding such number of shares or voting rights as may be prescribed by the Act and the Rules. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.”

Article 110 provides that “A poll shall be demanded forthwith for adjournment of the meeting or appointment of Chairman of the meeting, or any other matter as may be prescribed in the Act or the Rules.”

Article 111 provides that “A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such place within the city where the registered office of the Company is located and at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.”

Article 112 provides that “The Company shall cause minutes of all proceedings of every General Meeting to be prepared, signed and kept in accordance with the provisions of Section 118 of the Act. Such minutes shall be evidence of the proceedings recorded therein.”

Article 113 provides that “The book containing the minutes of the proceedings of any General Meeting or of a resolution passed by postal ballot shall be kept at the registered office and be open during business hours to the inspection of any member without charge between 11 am to 1 pmon all working days and subject to such reasonable restrictions as the Company may impose in accordance with the provisions of the Act. Any member shall be entitled to be furnished within 7 working days after he has made a request in that behalf to the Company with a copy of the minutes on payment of the fee as may be fixed by the Board, subject to the Act.”

Article 114 provides that “Any record, register, minutes or other document, required to be kept or allowed to be inspected or give copies to any member, may be kept, inspected or given in electronic form, subject to the provisions of the Act.”

## **VOTES OF MEMBERS**

Article 115 provides that “Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorized under the Act.”

Article 116 provides that “Subject to the provisions of the Act and the Rules, every member present, voting by a show of hands shall have one vote and every member present personally or by proxy shall have one vote for every share held by him. A member can also cast his vote by electronic means in accordance with the provisions of the Act and the Rules. The members of the Company holding any preference share capital shall in respect of such capital have a right to vote only on resolutions placed before the Company which directly affect the rights attached to the preference shares.”

Article 117 provides that “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

Article 118 provides that “Any one of two or more joint-holders may vote at any meeting, either personally or by attorney duly authorized under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present, whose name stands first or higher (as the case may be) on the register in respect of such share, shall alone be entitled to vote in respect thereof. Provided always that a joint- holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorized under power of attorney or by proxy although the name of such joint- holder present by an attorney or proxy stands first or higher as the case may be in the register in respect of such shares.”

Article 119 provides that “A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction may vote, whether on a show of hands or on a poll, by his committee or legal guardian and such committee or legal guardian may on poll vote by proxy.”

Article 120 provides that “A member who is a minor may vote in respect of his share or shares through his guardian.”

Article 121 provides that “Subject to the provisions of the Act, a member shall not be entitled to vote at any General Meeting either personally or by proxy or by attorney or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.”

Article 122 provides that “Subject to the provisions of the Act, any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.”

Article 123 provides that “Every proxy shall be appointed by an instrument in writing in the form prescribed under the Companies (Management and Administration) Rules, 2014, signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.”

Article 124 provides that “The instrument appointing a proxy or any other document necessary to show the validity or relating to appointment of a proxy shall be deposited at the office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 hours before the time appointed for taking of a poll, and in default the instrument of proxy shall not be treated as valid.”

## **DIRECTORS**

Article 125 provides that “The number of Directors shall not be less than 3 and not more than 15. Provided that the Company may increase the maximum number of directors by passing a special resolution.”

Article 126 provides that “First Directors of the Company: 1. Mr. Nimai Agrawal, 2. Mrs. Prabha Agarwal”

Article 127 provides that “Subject to the provisions of the Act, the Board of Directors shall have powers at any time and from time to time to appoint a person as an Additional Director, provided that the total number of directors shall not at any time exceed the maximum number fixed. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting or the last date, on which the Annual General Meeting should have been held, whichever is earlier.”

Article 128 provides that “The Board shall comprise of required number of Independent Directors subject to the provisions of the Act and the Rules prescribed thereunder.”

Article 129 provides that “The Board of Directors of the Company may appoint an Alternate Director to act for a director (original director) during his absence for a period of not less than 3 months from India and such alternate director whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to 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 reappointment of retiring Directors in default of another appointment shall apply to the original Director and not the Alternate Director.”

Article 130 provides that “The Company shall, subject to provisions of the Act, be entitled to agree with any person, firm, body corporate, corporation or institution that he or it shall have the right to appoint / remove his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Nominee Directors of the Company. The Nominee Directors shall be entitled to hold office until requested to retire by the person, firm, body corporate, corporation who may have appointed him / them. A Nominee Director shall be entitled to the same, rights and privileges and be subject to the same obligation as any other director of the Company.”

Article 131 provides that “Subject to the provisions of the Act, any casual vacancy occurring in the office of a Director, who was appointed in the General Meeting, whose period of office is liable to determination by retirement by rotation and he vacates such office before his term expires in the normal course may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Directors in whose place he is appointed would have held office, if the vacancy had not occurred.”

Article 132 provides that “The remuneration of a Director for his services shall be such a sum as may be fixed by the Board of Directors for each meeting of the Board or Committee thereof, attended by him not exceeding the maximum permissible amount as may be prescribed by the Act. Each Director shall be entitled to be paid his reasonable traveling and other expenses incurred by him in attending and returning from meetings of the Board or Committee of the Company or incurred in connection with the business of the Company.”

Article 133 provides that “If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out of Bangalore or otherwise for any of the purpose of the Company, the Company shall subject to the limitation provided by the Act compensate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.”

Article 134 provides that “The continuing Directors may act notwithstanding any vacancy in the Board, however if the number of the continuing directors falls below the minimum number fixed by the Act or these Articles for a meeting of the Board, the continuing Directors may act for the purpose of increasing the number of directors to that fixed for a quorum or for summoning a General Meeting of the Company.”

Article 135 provides that “Subject to the provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Company or to the Board of Directors.”

Article 136 provides that “All provisions of the Act dealing with vacation of office and removal of a director shall apply to the Company.”

Article 137 provides that “Subject to the provisions of the Act and the Rules, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided in these Articles as required in accordance with the provisions of the Act.”

Article 138 provides that “The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.”

Article 139 provides that “Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Act.”

Article 140 provides that “A Director of the Company may be, or become a Director of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, subject to the provisions of the Act and these Articles. No such director shall be accountable for any benefit received as Director or shareholder of such company.”

Article 141 provides that “The Directors shall not hold directorships in companies or other body corporate, exceeding such number as may be prescribed by the Act.”

Article 142 provides that “A Director may hold office or place of profit or enter into related party transactions to the extent permissible, subject to the provisions of the Act and the rules made thereunder.”

## **RETIREMENT AND ROTATION OF DIRECTORS**

Article 143 provides that “The provision relating to Retirement of Rotation of Directors shall be governed as per the provisions of the Act except in so far as the same are expressly made applicable in these Articles.”

Article 144 provides that “An Independent Director on the Board shall not be liable to retire by rotation and the total number of directors whose office is liable to determination by retirement by rotation shall not include Independent Directors.”

Article 145 provides that “Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for re-appointment.”

Article 146 provides that “Subject to the provisions of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.”

Article 147 provides that “If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless:

(a) at the meeting or at the previous meeting a resolution for the reappointment of such director has been put to

- the meeting and lost;
- (b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed;
  - (c) he is not qualified or is disqualified for appointment;
- A resolution whether special or ordinary is required for the appointment or reappointment by virtue of the provisions of the Act;”

## **PROCEEDINGS OF BOARD OF DIRECTORS**

Article 148 provides that “The Directors may meet together as a Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings, as it thinks fit, from time to time and shall so meet in a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The provisions of the Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio- visual means as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 except where the meeting is for considering matters which are not permitted by the Act or the Rules to be dealt with by video-conferencing or other audio-visual means.”

Article 149 provides that “In accordance with the provisions of the Act, at least seven days’ notice of every meeting of the Board of Directors of the company shall be given in writing, either by hand delivery, or post or electronic means to every director in India and at his usual address in India to every other director. However a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting provided that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.”

Article 150 provides that “The quorum for a meeting of the Board of Directors shall be as per the provisions of the Act and the rules made thereunder. The participation of directors by video conferencing or other audio visual means shall also be counted for the purpose of quorum. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.”

Article 151 provides that “Subject to the provisions of the Act, if at any meeting of the Board no Independent Director is present, the decisions taken at the meeting shall be considered final only on circulation and ratification by at least one Independent Director.”

Article 152 provides that “If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.”

Article 153 provides that “The Chairman of the Company shall be the Chairman of the Board meetings. If the Chairman is not present within 15 minutes of the time for holding the meeting, then the directors shall choose one of the Directors present to conduct the proceedings of the meeting.”

Article 154 provides that “Subject to the provisions of the Act and the Articles, the Board may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such Committee, either wholly or in part, and either to persons 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 incurred on it by the Board. The Board shall form all such committees as are mandatorily required to be constituted under the Act or the Rules. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment shall have the like force and effect as if done by the Board.”

Article 155 provides that “The meetings and proceedings of any such Committee consisting of such number of directors as determined by the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board of Directors, so far as the same are applicable thereto. The Committee may



meet and adjourn as it thinks fit.”

Article 156 provides that “The members of the Committee may elect a chairman for its meetings unless the Board has appointed a Chairperson of the Committee while constituting such committee. If no such chairman is elected, or if the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one amongst themselves to be the Chairman of the Meeting.”

Article 157 provides that “Subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.”

Article 158 provides that-

- A. “A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under the Act or the Articles shall subject to the provisions hereof and the Act, be valid and effectual as a resolution duly passed at a meeting of the Board or of a Committee duly called and held.
- B. A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through prescribed electronic means and has been signed, whether manually or electronically, by a majority of the directors or members, who are entitled to vote on the resolution, provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board. A circular resolution shall be noted at a subsequent meeting of the Board or committee, as the case may be, and made part of the minutes of such meeting.
- C. Subject to the provisions of the Act, a statement signed by a Director or officer of the Company or other person authorized in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.”

Article 159 provides that “Subject to the provisions of the Act and these Articles, 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 Directors or person acting as aforesaid, or that they or any of them were or was disqualified or that his or any of their appointment had been terminated, be as valid as if every such person, had been duly appointed and was qualified to be a Director.”

Article 160 provides that “The Company shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting.”

Article 161 provides that “All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for the purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.”

## **POWERS OF THE BOARD OF DIRECTORS**

Article 162 provides that “Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required by the Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulation not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

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.”

## **MANAGING DIRECTOR AND WHOLE TIME DIRECTOR**

Article 163 provides that “Subject to the provisions of the Act, the Directors may, from time to time appoint one amongst themselves to be the Managing Director and/or Whole Time Director of the Company.”

Article 164 provides that “Subject to the provisions of the Act and these Articles, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation under these Articles and he shall not be taken into account in determining the rotation of retirement of Directors but he shall, subject to the provision of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director for any cause. Provided that if at any time the number of Directors (including Managing Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the directors for the time being then such Managing Director or Managing Directors as the Board of Directors shall from time to time select shall be liable to retirement by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.”

Article 165 provides that “The remuneration of the Managing Director (subject to applicable provisions of the Act and these Articles and of any contract between him and the Company) shall from time to time be fixed by the Board and may be by way of fixed salary or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.”

Article 166 provides that “Subject to the supervision and control of the Board of Directors the day-to-day management of the Company shall be in the hands of the Managing Director. The Board may from time to time entrust to and confer upon the Managing Director & Whole Time Director for the time being subject to the provisions of these Articles and the Act such powers exercisable under these Articles by the Board as they may think fit and may confer such powers of such time, and to be exercised for 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 any 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.”

## **CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Article 167 provides that “Subject to the provisions of the Act and the Rules (i) a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) a Director may be appointed as chief executive officer, manager, company secretary or chief financial officer, the Board may appoint one or more CEOs for its multiple businesses.”

## **REGISTERS, BOOKS & DOCUMENTS**

Article 168 provides that-

- A. The Company shall maintain Registers, Books and Documents as required by the Act in physical or electronic form at its registered office or such other place as the Board may decide.
- B. The Registers, Books and Documents shall be maintained in conformity with the applicable provision of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively under the Act on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.”

## **THE COMMON SEAL**

Article 169 provides that “The Board of Directors shall provide a Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute the Seal in lieu thereof and the Board of Directors shall provide for the safe custody of the Seal.”

Article 170 provides that “Every deed or other instrument, to which the Seal of the Company is required to be affixed, be signed in the presence of at least one director who shall sign every instrument to which the seal of the Company if so affixed. The share certificate will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.”

## **DIVIDENDS**

Article 171 provides that “The profits of the Company subject to any special rights relating thereto created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. No dividend shall be declared or paid by the Company from its reserves other than its free reserves.”

Article 172 provides that “The Company in General Meeting may subject to provisions of the Act declare a dividend to be paid to the members according to their respective rights and interest in the profits and subject to the provisions of the Act may fix the time for payment.”

Article 173 provides that “No dividend shall be declared in excess of that is recommended by the Board but the Company in General Meeting may declare a lesser dividend. No dividend shall be payable except out of the profits of the Company for that year or otherwise in accordance with the Act and no dividend shall carry interest as against the Company.”

Article 174 provides that “In case of inadequacy or absence of profits in any financial year, the company may declare dividend out of the accumulated profits earned by it in the previous years and transferred by the company to the reserves in accordance with the provisions of the Act and the Rules.”

Article 175 provides that “The Board may before recommending any dividend, set aside out of 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, think fit.”

Article 176 provides that “The Board may carry forward profits which it may consider not to divide, without setting them aside as a reserve.”

Article 177 provides that “Subject to the provisions of the Act, the Board may from time to time, pay to the members such interim dividends of such amount on such class(es) of shares and at such times, as in the judgment of the Board, the position of the Company justifies.”

Article 178 provides that “A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.”

Article 179 provides that “Any dividend may be paid by electronic mode or by cheque or warrant sent through post to the registered address of the member or in case of joint holders to the registered address of that one of them who is first named in the register of members or to such person and to such address as the holder or joint holders may in writing direct.”

Article 180 provides that “The waiver in whole or in part of any dividend on any share by any document, shall be effective only if such document is signed by the member and delivered to the company and if or to the extent that the same is accepted as such or acted upon by the Board.”

Article 181 provides that-

- A. “Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of SURVIVAL TECHNOLOGIES LIMITED " and transfer to the said

account, the total amount of dividend which remains unpaid or unclaimed.

- B. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund established by the Central Government.
- C. No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law.”

## **CAPITALISATION AND CAPITAL APPRECIATION AND RESERVE**

Article 182 provides that-

- A. “The Company at any General Meeting may, upon the recommendation of the Board resolve that (i) 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 (ii) such sum be accordingly set free for distribution in the manner specified below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- B. The sum aforesaid shall not be paid in cash but shall be applied towards (i) paying up any amounts for the time being unpaid on any shares held by the 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; (iii) partly by way of (i) and partly by way of (ii).
- C. A securities premium account and a capital redemption reserve account may for the purposes of this Article be applied in the paying up of unissued shares to be issued to the members of the Company as fully paid-up bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- D. Whenever such a resolution shall have been passed, the Board shall (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid up shares if any; and (ii) generally do all acts and things required to give effect thereto.
- E. The Board shall have the power to (i) make such provisions, by issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (ii) authorize any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up of any further shares to which they may be entitled upon such capitalization or as the case require for the payment by the Company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalized of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on the members.”

## **ACCOUNTS**

Article 183 provides that-

- A. The Company shall keep at its registered office or at such other place in India as the Board of Directors may think fit, proper books of account in physical or electronic form pursuant to the Companies (Accounts) Rules, 2014 with respect to such items as provided by the Act and Rules.
- B. If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office and proper summarized returns, made up to date at intervals as may be determined by the Board, shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- C. All the aforesaid books shall give a true and fair view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
- D. The books of account shall be open to inspection by any Director during business hours by any Director, Registrar or any officer of Government authorised by the Central Government in this behalf; and if in the opinion of the Registrar or such officer, sufficient cause exists for the inspection of the books of account.
- E. No member (not being a director) shall have any right of inspecting any account or book or documents of the company, except as authorized by the Board or by the company in the General Meeting.
- F. The books of account of the Company relating to a period of not less than 8 years immediately preceding the current year shall be preserved in good order.”

Article 184 provides that “Subject to the provisions of the Act, the financial statements of the Company shall be in the format as specified in the Act and Schedule thereto, or as near thereto as circumstances admit. The items contained in such financial statements shall be in accordance with the accounting standards.”

## **AUDIT**

Article 185 provides that “Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the financial statements ascertained by one or more auditor or auditors.”

Article 186 provides that “The appointment, rights, obligations, duties, resignation and removal of auditors shall be governed by the provisions of the Act and the Rules framed thereunder.”

## **WINDING UP**

Article 187 provides that-

“Subject to the applicable provisions of the Act and the Rules made thereunder:

- A. If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the asset of the Company, whether they shall consist of property of the same kind or not.
- B. For the purpose of the 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.
- C. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.”

## **SECRECY CLAUSE**

Article 188 provides that “Subject to provisions of the Act, no member shall be entitled to visit or inspect the Company’s works without the permission of the Board or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process 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 members of the Company to communicate to the public.”

## **INDEMNITY AND RESPONSIBILITY**

Article 189 provides that-

- A. “Subject to the provisions of the Act, every key managerial personnel, director and other officer or employees of the Company shall be indemnified by the Company out of the funds of the Company, to pay all the costs, losses and expenses (including traveling expenses) which any such director, key managerial personnel, officer or employee may incur or become liable for by reason of any contract entered into or act, or deed done by him in his capacity as the director, key managerial personnel, officer or employee of the Company or in any way in the discharge of his duties.
- B. Subject as aforesaid every director, key managerial personnel and other officer or employees of the Company shall be indemnified against any liability incurred by him in defending any proceeding 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 the provisions of the Act in which relief is given to him by the Court.
- C. Subject to the provisions of the Act, no Director or key managerial personnel or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board 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 tortious 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 or judgment or omission, default or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.”

## **GENERAL POWERS**

Article 190 provides that “Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act without there being any specific Article in that behalf herein provided.”

## SECTION X - 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 and the Prospectus which will be filed with the RoC and will also be available on the website of the Company which can be accessed at <http://survivaltechnologies.in/investor-relations>. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our 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 (except for such agreements executed after the Bid / Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material contracts for the Offer

1. Offer Agreement dated December 28, 2022, entered into between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated December 28, 2022, entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, Syndicate Members, 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 [●] entered into between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar.
6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders and the Underwriters.

#### B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated June 27, 2005.
3. Fresh certificate of incorporation consequent upon conversion from private company to public limited company dated December 13, 2022.
4. Resolution of the Board of Directors and the Shareholders of our Company dated December 15, 2022 and December 17, 2022, respectively authorising the Offer and other related matters.

5. Resolution of the Board of Directors of our Company dated December 28, 2022, approving this Draft Red Herring Prospectus.
6. Consent letters from the Selling Shareholders in relation to the Offer for Sale.
7. Engagement letter dated August 18, 2022, appointing CRISIL Research as the industry report provider.
8. Consent dated December 23, 2022 from CRISIL Research to rely on and reproduce part or whole of the report, “*Assessment of the heterocyclic and fluoro-organic compounds industry*” dated December 2022 and include their name in this Draft Red Herring Prospectus.
9. Industry report titled “*Assessment of the heterocyclic and fluoro-organic compounds industry*” dated December 2022, issued by CRISIL Research which is a paid report and was commissioned by us pursuant to an engagement letter dated August 18, 2022, exclusively in connection with the Offer.
10. Certificate on Basis for Offer Price issued by Lodha & Co., Chartered Accountants dated December 28, 2022.
11. Consent from the Joint Statutory Auditors namely, SRBC & Co LLP, Chartered Accountants and Lodha & Co. to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Joint Statutory Auditors and in respect of the: (i) examination report dated December 20, 2022 on our Restated Financial Information, and (ii) report dated December 27, 2022, on the statement of special tax benefits available to our Company and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
12. The examination report dated December 20, 2022 from our Joint Statutory Auditors on our Restated Financial Information.
13. Consent letter dated December 28, 2022, from Chetan Kishore, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in relation to their certificate on December 28, 2022 of our Company.
14. Consent letter dated December 28, 2022, from Lodha & Co., Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of various certifications issued by them in their capacity as independent chartered accountant to our Company.
15. Report issued by the Joint Statutory Auditors dated December 27, 2022, on the statement of special tax benefits available to our Company.
16. Copies of annual reports of our Company for the preceding three Fiscals.
17. Service agreements each dated April 28, 2021 entered into between our Company and Vijaykumar Raghunandanprasad Agrawal, Nimai Vijay Agrawal and Prabha Vijay Agarwal.
18. Consent of our Directors, Selling Shareholders, BRLMs, Syndicate Members, the legal counsel to the Company, the legal counsel to the Book Running Lead Managers, international legal counsel to the Book Running Lead Managers, Registrar to the Offer, Monitoring Agency, Banker(s) to the Offer, Banker to our Company, Company Secretary and Compliance Officer, and Chief Financial Officer, as referred to in their specific capacities.
19. Tripartite agreement dated August 26, 2022, amongst our Company, NSDL and the Registrar to the Offer.
20. Tripartite agreement dated August 25, 2022, amongst our Company, CDSL and the Registrar to the Offer.



21. Due diligence certificate dated December 28, 2022, addressed to SEBI from the BRLMs.
22. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
23. SEBI observation letter dated [●].

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Vijaykumar Raghunandanprasad Agrawal**  
Chairman and Whole-time Director

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Nimai Vijay Agrawal**  
Managing Director and Chief Executive Officer

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Prabha Vijay Agarwal**  
Whole-time Director

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Dr. Ganapati Dadasaheb Yadav**  
Independent Director

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Ruchi Shrinath Pandya**  
Independent Director

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Adesh Kumar Gupta**  
Independent Director

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines / regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Dinesh Bhalotia**

Director Finance and Strategies & Chief Financial Officer

**Place: Mumbai, India**

**Date: December 28, 2022**



## **DECLARATION**

The undersigned Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility, for any other statements, disclosures and undertakings including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Vijaykumar Raghunandanprasad Agrawal**

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

The undersigned Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility, for any other statements, disclosures and undertakings including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Nimai Vijay Agrawal**

**Place: Mumbai, India**

**Date: December 28, 2022**

## **DECLARATION**

The undersigned Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility, for any other statements, disclosures and undertakings including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Prabha Vijay Agarwal**

**Place: Mumbai, India**

**Date: December 28, 2022**