



Godavari
Biorefineries Ltd

GODAVARI BIOREFINERIES LIMITED

Our Company was originally incorporated as Godavari Investment and Finance Corporation Limited in Mumbai, Maharashtra as a public limited company under the Indian Companies Act, 1913, pursuant to a certificate of incorporation dated January 12, 1956, issued by the Registrar of Companies, Bombay. Subsequently, the name of our Company was changed to Godavari Biorefineries Limited and a fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra at Mumbai on November 10, 2006. For further details in relation to the change in our name and our registered and corporate office, see “History and Certain Corporate Matters” on page 175.

Registered and Corporate Office: Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai - 400 001, Maharashtra; **Tel:** +91 22 6170 2100

Contact Person: Swarna Gunware, Company Secretary and Compliance Officer; **Tel:** +91 22 6170 2165; **E-mail:** investors@somaiya.com; **Website:** www.godavaribiorefineries.com

Corporate Identity Number: U67120MH1956PLC009707

OUR PROMOTERS: SAMIR SHANTILAL SOMAIYA AND SOMAIYA AGENCIES PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF GODAVARI BIOREFINERIES LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER”). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,700 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 6,558,278 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, CONSISTING OF UP TO 500,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SAMIR SHANTILAL SOMAIYA, UP TO 500,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SOMAIYA AGENCIES PRIVATE LIMITED (THE “PROMOTER SELLING SHAREHOLDERS”), UP TO 4,926,983 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MANDALA CAPITAL AG LIMITED (THE “INVESTOR SELLING SHAREHOLDER”), UP TO 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY FILMEDIA COMMUNICATION SYSTEMS PRIVATE LIMITED, UP TO 131,295 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SOMAIYA PROPERTIES AND INVESTMENTS PRIVATE LIMITED AND UP TO 200,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY LAKSHMIWADI MINES AND MINERALS PRIVATE LIMITED (THE “PROMOTER GROUP SELLING SHAREHOLDERS”), AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER, THE “SELLING SHAREHOLDERS”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER FOR SALE”). THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OUR COMPANY, IN CONSULTATION WITH THE BRLMs AND SELLING SHAREHOLDERS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES THROUGH A PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 1,000 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (“PRE-IPO PLACEMENT”). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (“SCRR”).

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMs AND THE SELLING SHAREHOLDERS, WHICH SHALL BE SUBJECT TO INVESTOR SELLING SHAREHOLDER APPROVAL, IF REQUIRED, UNDER THE TERMS OF THE SHAREHOLDERS AGREEMENT (AS DEFINED HEREINAFTER) 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”), 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, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank.

This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein, not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company in consultation with the BRLMs and Selling Shareholders, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors (“RIIs”) 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 mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Accounts (as defined hereinafter) including UPI ID in case of RIIs in which the Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 313.

RISKS IN RELATION TO THE FIRST OFFER

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

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 29.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY




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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” beginning on page 420.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

		
Equirus Capital Private Limited 12 th Floor, C Wing, Marathon Futurux N.M. Joshi Marg, Lower Parel Mumbai – 400 013, Maharashtra Telephone no.: +91 22 4332 0700 Email: godavari ipo@equirus.com Investor grievance email: investorsgrievance@equirus.com Website: www.equirus.com Contact person: Anshul Jain/Mrinmayee Dethé SEBI Registration Number: INM000011286	JM Financial Limited 7 th Floor, Chenergy Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025, Maharashtra Telephone no.: +91 22 6630 3030 Email: godavari ipo@jmfml.com Investor grievance email: grievance.ibd@jmfml.com Website: www.jmfml.com Contact person: Prachee Dhuri SEBI Registration Number: INM000010361	Link Intime India Private Limited C 101, 247 Park L.B.S Marg, Vikhroli (West) Mumbai – 400 083, Maharashtra Telephone no.: +91 22 4918 6200 Email: godavari ipo@linkintime.co.in Investor grievance email: godavari ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSING ON	[●]**
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*Our Company may, in consultation with the BRLMs and Selling Shareholders, 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, i.e. [●].

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information” and “Outstanding Litigation and Other Material Developments”, beginning on pages 331, 100, 103, 166, 215 and 286 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company, the Company or the Issuer	Godavari Biorefineries Limited, a public limited company incorporated under the Indian Companies Act, 1913 and having its Registered and Corporate Office at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai - 400 001, Maharashtra
we/us/our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis

Company related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of the Board, as described in “ <i>Our Management</i> ” on page 187
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being M/s Verma Mehta & Associates, Chartered Accountants
Bio-based Chemicals	The biochemicals manufactured by us including ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio- acetic acid and paraldehyde
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Chairman and Managing Director	Chairman and managing director of our Company, Samir Shantilal Somaiya. For details, see “ <i>Our Management</i> ” on page 187
Chief Financial Officer/ CFO	Chief financial officer of our Company, Naresh Sitaram Khetan. For details, see “ <i>Our Management</i> ” on page 187
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Swarna Gunware. For details, see “ <i>Our Management</i> ” on page 187
Corporate Promoter	The corporate promoter of our Company, namely Somaiya Agencies Private Limited. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 206
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in “ <i>Our Management</i> ” on page 187
Director(s)	Director(s) on the Board of our Company. For details, see “ <i>Our Management</i> ” on page 187
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	Executive Directors of our Company, currently Samir Shantilal Somaiya, Sangeeta Arunkumar Srivastava, Bhalachandra Bakshi and Suhas Uttam Godage. For details, see “ <i>Our Management</i> ” on page 187
Frost & Sullivan	Frost & Sullivan (India) Private Limited

Term	Description
Frost & Sullivan Report	Report titled “ <i>Global Biorefinery Market Report</i> ” dated August 31, 2021, prepared by Frost & Sullivan
Group Companies	The companies as disclosed in “ <i>Group Companies</i> ” on page 210
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 187
Individual Promoter	Samir Shantilal Somaiya
IPO Committee	The IPO committee of our Board
Investor Selling Shareholder/Mandala	Mandala Capital AG Limited
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management</i> ” on page 187
Manufacturing Facilities	The Sameerwadi Manufacturing Facility and Sakarwadi Manufacturing Facility, collectively. For details, see “ <i>Our Business-Our Manufacturing Facilities</i> ” on page 159
Materiality Policy	The policy adopted by our IPO Committee on August 2, 2021, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, described in “ <i>Our Management</i> ” on page 187
Non-Executive Director(s)	The non-executive non-Independent director(s) of our Company. For details, see “ <i>Our Management</i> ” on page 187
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 206
Promoters	The promoters of our Company, being Samir Shantilal Somaiya and Somaiya Agencies Private Limited. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 206
Promoter Selling Shareholders	Samir Shantilal Somaiya and Somaiya Agencies Private Limited
Promoter Group Selling Shareholder	Filmedia Communication Systems Private Limited, Somaiya Properties and Investments Private Limited, and Lakshmiwadi Mines and Minerals Private Limited
Registered and Corporate Office	The registered and corporate office of our Company, situated at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai - 400 001, Maharashtra
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company and our subsidiaries which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2021, March 31, 2020, March 31, 2019, the restated consolidated statement of profit and loss, (including other comprehensive income); the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the Fiscals ended March 31, 2021, March 31, 2020, and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai

Term	Description
Sakarwadi Manufacturing Facility	Our manufacturing facility located at Ahmednagar district in Maharashtra
Sameerwadi Manufacturing Facility	Our manufacturing facility located at Bagalkot district in Karnataka
Selling Shareholders	Together, the Promoter Selling Shareholders, the Investor Selling Shareholder and the Promoter Group Selling Shareholders
Shareholder(s)	Shareholders of our Company, from time to time
Shareholders Agreement/SHA	Shareholders agreement dated February 27, 2015 entered into by our Company, Samir Shantilal Somaiya, S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited, Sindhur Construction Private Limited and the Investor Selling Shareholder
Share Subscription Agreement	Share subscription agreement dated February 27, 2015 entered into by our Company, Samir Shantilal Somaiya, S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited, Sindhur Construction Private Limited and the Investor Selling Shareholder
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board as described in " <i>Our Management- Committees of our Board</i> " on page 202
Subsidiaries	Subsidiaries of our Company as set out in " <i>Our Subsidiaries</i> " on page 183

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders during the Anchor Investor Bidding Date. The same shall be subject to Investor Selling Shareholder approval, if required, under the terms of the SHA.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs and the Selling Shareholders, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “ <i>Offer Procedure</i> ” beginning on page 313
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable

Term	Description
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 [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where the Registered and Corporate Office of our Company is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations</p> <p>Our Company, in consultation with the BRLMs and the Selling Shareholders 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 [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where the Registered and Corporate Office of our Company is located)
Bid/ Offer Period	<p>Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days</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 Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms to a Registered Broker, 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, Equirus Capital Private Limited and JM Financial Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges.
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

Term	Description
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE
Cut-off Price	<p>Offer Price, finalised by our Company, in consultation with the BRLMs and the Selling Shareholders, which shall be any price within the Price Band. The same shall be subject to Investor Selling Shareholder approval, if required, under the terms of the SHA.</p> <p>Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price</p>
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	<p>In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs</p>
Designated RTA Locations	<p>Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.</p> <p>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time</p>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time

Term	Description
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated September 24, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Equirus	Equirus Capital Private Limited
Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs and Banker(s) to the Offer for <i>inter alia</i> collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	<p>The fresh issue of up to [●] Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 3,700 million*</p> <p><i>*Our Company, in consultation with the BRLMs and the Selling Shareholders, may consider the Pre-IPO Placement aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and will be completed 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</i></p>
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
JM Financial	JM Financial Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism

Term	Description
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further information about use of the Offer Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on page 89
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NII’s	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	<p>The initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue* and the Offer for Sale.</p> <p><i>*Our Company, in consultation with the BRLMs and the Selling Shareholders, may consider the Pre-IPO Placement aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and will be completed 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.</i></p>
Offer Agreement	The agreement dated September 24, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of up to 6,558,278 Equity Shares at ₹ 10 per Equity Share aggregating up to ₹ [●] million by the Selling Shareholders.
Offer Price	<p>₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus. The same shall be subject to Investor Selling Shareholder approval, if required, under the terms of the SHA</p>
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 our Selling Shareholders. For further information about the use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 89

Term	Description
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 6,558,278 Equity Shares aggregating up to ₹ [●] million
Pre-IPO Placement	A further issue of Equity Shares, through a preferential offer or any other method as may be permitted in accordance with applicable law, aggregating up to ₹ 1,000 million, which may be undertaken by the Company in consultation with the BRLMs and the Selling Shareholders, prior to the filing of the Red Herring Prospectus with the RoC
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs and the Selling Shareholders, 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 the Registered and Corporate Office of our Company 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 in consultation with the BRLMs and the Selling Shareholders, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares aggregating to ₹[●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs and the Selling Shareholders), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	<p>The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto</p> <p>The Bid/Offer Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto</p>

Term	Description
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and BRLMs and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated September 20, 2021 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
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, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Retail Individual Investors(s)/ RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Offered Shares 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, a list of which will be included in the Bid cum Application Form

Term	Description
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIIs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction

Term	Description
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
APAC	Asia Pacific
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
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 III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
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
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting

Term	Description
EBP Program	Ethanol Blended Petrol Programme
EOU	Export oriented unit
EPS	Earnings per share
EUR/ €	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
GDP	Gross domestic product
GoI	Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
IPO	Initial public offer.
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
MPCB	Maharashtra Pollution Control Board
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
NFE	Net foreign exchange
Non-Resident	A person resident outside India, as defined under FEMA

Term	Description
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RONW	Return on net worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Term	Description
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State of India
STT	Securities Transaction Tax
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Technical and Industry Related Terms

Term	Description
1,3 BG	1,3 Butylene Glycol
EVE	Ethyl Vinyl Ethers
KL	Kilolitres
KLPD	Kilolitres per day
KT	Kilo ton, with 1 KT = 1,000 MT
MCC	Micro Crystalline Cellulose
McFT	Million cubic feet
MPO	3 Methyl-3 Penten-2-One
MT	Metric tonnes
MTPA	Metric tonnes per annum
MWH	Mega watt hour
TCD	Tons Crushed per Day
TPA	Tonnes per annum

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

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. All references 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 to the “U.S.”, “US”, “U.S.A” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

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

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

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

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 29, 147 and 268, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been calculated on the basis of our Restated Consolidated Financial Statements.

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “Global Biorefinery Market Report” dated August 31, 2021 by Frost & Sullivan (India) Private Limited (“**Frost & Sullivan Report**”) and publicly available information as well as other industry publications and sources. The Frost & Sullivan Report has been commissioned by our Company.

The Frost & Sullivan Report has been commissioned and paid for by our Company. Frost & Sullivan was appointed by our Company pursuant to a letter of agreement dated April 9, 2021, and does not have any relationship with our Company or our Promoters, Directors or Key Managerial Personnel. There are no parts, data or information which may be relevant for the proposed Offer, that have been left out or changed in any manner.

The Frost & Sullivan Report is subject to the following disclaimer:

*“The independent market research study **“Global Biorefinery Market Report”** (the **“Report”**) has been prepared for the proposed initial public offering of equity shares by Godavari Biorefineries Limited (the **“Company”**).*

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

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

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

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

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *“Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.”* on page 51.

Currency and Units of Presentation

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

All references to **“U.S.\$”**, **“U.S. Dollar”**, **“USD”** or **“U.S. Dollars”** are to United States Dollars, the official currency of the United States of America. All references to **“EUR”** or **“€”** are to Euro, the official currency of the European Union.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such

figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Time

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

Exchange Rates

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

The exchange rates of USD and Euro into Indian Rupees for the periods indicated are provided below:

(in ₹)

Currency	Exchange Rate as on		
	March 31, 2021	March 31, 2020	March 31, 2019
1 USD	73.50	75.39	69.17
1 EUR	86.10	83.05	77.70

Source: www.fbil.org.in

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed. The reference rates are rounded off to two decimal places.

FORWARD-LOOKING STATEMENTS

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

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

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

- Availability of sugarcane, molasses and feedstock for the manufacturing of our products in the sugar, distillery and cogeneration segments;
- Occurrence of seasonal vagaries, adverse weather conditions, crop disease and pest attacks that adversely affect crop yields;
- Disruption in our ability to procure raw materials from our key suppliers;
- Reduction in revenue from few of our products;
- Inability to successfully develop and commercialise new products in a timely manner;
- Occurrence of seasonal variations and/or social unrest, natural disaster or any other natural disaster in and around our Manufacturing Facilities and/or disruption in production at, or shutdown of, our Manufacturing Facilities or breakdown of machinery;
- Change in government policies for procurement or pricing of sugarcane, ethanol and/or sugar; and
- Loss of one or more of our key customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 29, 147 and 268, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, the Directors, the Selling Shareholders, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares forming part of the Offer for Sale from the date of the Red Herring Prospectus until the time of the grant of listing

and trading permission by the Stock Exchanges. The Selling Shareholders shall severally and not jointly ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by the respective Selling Shareholder in relation to their respective portion of Offered Shares in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the grant of listing and trading permission by the Stock Exchanges.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Objects of the Offer” and “Outstanding Litigation and Other Material Developments” beginning on pages 29, 147, 103, 78, 60, 215, 89 and 286 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We are one of the largest producers of ethanol and a pioneer in manufacturing ethanol-based chemicals in India (source: Frost & Sullivan Report). Our diversified product portfolio comprises of bio-based chemicals, sugar, rectified spirits, ethanol, other grades of alcohol and power. We are the only company in India to have such a vast portfolio of bio-based products and are also the largest manufacturer of MPO worldwide, one of only two manufacturers of natural 1,3 butylene glycol globally, the fourth largest manufacturer of ethyl acetate in India, and the only company in India to produce bio ethyl acetate (source: Frost & Sullivan Report).

Summary of Industry (Source: Frost & Sullivan Report)

The bio-based chemicals market has been growing exponentially owing to the increasing need for environmentally sustainable solutions and the market for bio-based chemicals in 2020 was valued at USD 72 billion growing at a CAGR of 10-12%. The global ethyl acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume. Further, the global ethanol market was valued at USD 93.7 Bn in 2020 with a steady growth rate in past of CAGR ~6.5% since 2015, while the Indian ethanol market is projected to grow from USD 3.6 Bn in 2020 to USD 8.9 Bn by 2025, exhibiting a CAGR of 19.8% during 2020-2025.

Name of Promoters

As on the date of this Draft Red Herring Prospectus, Samir Shantilal Somaiya and Somaiya Agencies Private Limited are our Promoters. For further details, see “Our Promoters and Promoter Group” at page 206.

The Offer

Offer ¹	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] million
of which	
Fresh Issue ^{1^}	Up to [●] Equity Shares aggregating up to ₹ 3,700 million
Offer for Sale ²	Up to 6,558,278 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million

¹ Our Company, in consultation with the BRLMs and Selling Shareholders, may consider a Pre-IPO Placement aggregating up to ₹ 1,000 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and will be completed 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.

¹ The Offer has been authorized by a resolution of our Board dated June 5, 2021, and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated July 5, 2021.

² The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” beginning on page 295.

For further details, see “The Offer” and “Offer Structure” beginning on pages 60 and 310, respectively.

Objects of the Offer

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

(in ₹ million)

Particulars	Estimated amount ⁽¹⁾ (in ₹ million)
Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company	2,140.00
Funding capital expenditure for Sugarcane Crushing Expansion	448.44
Funding capital expenditure for the Potash Unit	106.20
General corporate purposes ⁽¹⁾	●
Total⁽¹⁾	●

⁽¹⁾ To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds from Fresh Issue. Our Company, in consultation with the BRLMs and Selling Shareholders, may consider a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and the Pre-IPO Placement will be completed 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.

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

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre- Offer paid up Equity Share capital
Promoters			
1.	Somaiya Agencies Private Limited	9,354,668	22.30
2.	Samir Shantilal Somaiya	6,021,211*	14.36
Total (A)		15,375,879*	36.66
Other members of the Promoter Group			
1.	Sakarwadi Trading Company Private Limited	6,015,790	14.34
2.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64
3.	Sindhur Construction Pvt Ltd	2,933,461	6.99
4.	Zenith Commercial Agencies Pvt. Ltd.	932,189	2.22
5.	Filmedia Communication Systems Private Limited	775,730	1.85
6.	Jasmine Trading Company Private Limited	615,332	1.47
7.	K. J. Somaiya and Sons Private Limited	596,131	1.42
8.	Harinakshi Somaiya	300,000	0.72
9.	Karnataka Organic Chemicals Private Limited	273,530	0.65
10.	Shantilal Karamshi Somaiya (HUF)	149,950	0.36
11.	Somaiya Properties and Investments Private Limited	131,295	0.31
12.	Arpit Limited	86,000	0.21
13.	The Book Centre Limited	73,306	0.17
14.	Somaiya Chemical Industries Private Limited	20,800	0.05
Total (B)		18,624,231	44.40
Total of Promoters and Promoter Group (A) + (B)		34,000,110	81.06

*Does not include 149,950 Equity Shares held by in the name of Shantilal Karamshi Somaiya HUF. Samir Shantilal Somaiya is the Karta of Shantilal Karamshi Somaiya HUF.

The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up share capital of our Company is set out below:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre- Offer paid up Equity Share capital
1.	Somaiya Agencies Private Limited	9,354,668	22.30
2.	Samir Shantilal Somaiya	6,021,211*	14.36
3.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64
4.	Mandala Capital AG Limited	4,926,983	11.75
5.	Filmedia Communication Systems Private Limited	775,730	1.85
6.	Somaiya Properties and Investments Private Limited	131,295	0.31

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre- Offer paid up Equity Share capital
Total		26,930,604	64.21

*Does not include 149,950 Equity Shares held by in the name of Shantilal Karamshi Somaiya HUF. Samir Shantilal Somaiya is the Karta of Shantilal Karamshi Somaiya HUF.

For further details, see “Capital Structure” at page 78.

Summary of Restated Consolidated Financial Statements

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

(in ₹ million, other than share data)

Particulars	Financial Year		
	2021	2020	2019
Share Capital	419.43	419.43	383.76
Net worth*	2,134.87	1,866.97	1,173.65
Total income	15,463.84	14,727.96	15,663.28
Profit / (loss) after tax	271.55	40.63	55.33
Earnings per Equity Share (basic and diluted)			
- Basic (in ₹)	6.47	1.00	1.46
- Diluted (in ₹)	6.47	1.00	1.46
Net asset value per Equity Share (in ₹)**	50.90	45.89	30.89
Total borrowings***	5,633.78	6,041.25	8,009.01

*‘Net worth’ means the aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets including revaluation reserve, capital redemption reserve, write, back of depreciation and amalgamation.

** Net Asset Value per share = $\frac{\text{Restated consolidated net worth as at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

***Indicates fund-based borrowing of the Company.

For further details, see “Restated Consolidated Financial Statements” beginning on page 215.

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

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

Summary of Outstanding Litigation

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

Types of Proceedings	Number of Cases	Amount (in ₹ million)*
Litigation against our Company		
Criminal proceedings	2	-
Actions by statutory or regulatory authorities	1	-
Direct and indirect tax proceedings	21	1,629.08
Total	24	1,629.08
Litigation by our Company		
Criminal proceedings	233	198.32
Other pending material litigation [#]	1	3,091.68
Total	234	3,290.00
Litigation against our Directors		
Criminal proceedings	1	-
Direct and indirect tax proceedings	1	0.26
Other pending material litigation [#]	1	-
Total	3	0.26
Litigation against our Promoters		
Criminal proceedings	1	-

Types of Proceedings	Number of Cases	Amount (in ₹ million)*
Direct and indirect tax proceedings	1	0.26
Other pending material litigation [#]	1	-
Total	3	0.26

*To the extent quantifiable.

In accordance with the Materiality Policy.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” beginning on page 286.

Risk Factors

Specific attention of Investors is invited to the section “*Risk Factors*” on page 29. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of Contingent Liabilities of our Company

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

Serial no.	Particulars	Amount (₹ in million)
1.	Bank Guarantees	196.34
2.	Letter of Credits	316.27
3.	Corporate Guarantee to Karnataka Bank	76.31
4.	Excise duty and Service Tax (Excluding Interest and Penalty)	79.10
	Total	668.02

Note:

I. Council of Scientific & Industrial Research (CSIR): The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of ₹ 48.50 million to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology by CSIR. The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR. CSIR has demanded the financial assistance back and the Company reply was that the Arbitration Application was barred by time. Supreme Court admitting SLP stayed Order of the Delhi High Court on condition of deposit of INR 10 million and the company have deposited ₹ 10 million during the year. Fresh date for hearing is awaited.

II. National Green Tribunal National Green Tribunal (NGT) has permitted, Prof C. R. Babu, Professor Emeritus, Centre for Environment Management of Degraded Ecosystems (CEMDE), University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi. The Chairman of the Central Pollution Control Board (CPCB) had reviewed the progress made in the project and has acknowledged the progress made till date. Company has applied for the extension of time.

III. Sale of Extra Neutral Alcohol (ENA) to Bottling Plant Year ended March 31, 2021: The Company has sold ENA (Qty 13,110 KL valued at ₹ 702.3 million in the year ended March 31, 2021 and Qty 9,110 KL valued at ₹ 521.02 million in the period April 2019- March 2020) to various customers of IFL (potable industry) without GST. As per law, ENA is chargeable under GST. The Customers have interpreted that GST is not applicable to Indian -Made Foreign Liquor (IFL) (potable industry) and customers have volunteered and have given undertaking for reimbursement of tax plus interest whenever department of taxes may raise notices for the same. The matter was referred to GST Council by Indian Sugar Mills Association in July 2017 and thereafter followed by reminders from time to time. However in view of difference of opinion, GST Council has referred the matter to Advocate General of India for his opinion. GST Council is yet to communicate its decision on the matter as on March 31, 2021.

Year ended March 31, 2020, our Company has sold ENA (quantity 9,110 KL value ₹ 521.02 million in the year ended March 31, 2020 and quantity 31,060 KL value ₹ 1421.98 million in the period July 2017- March 2019) to various customers of IFL (potable industry) without GST.

Year ended March 31, 2019. The Company has sold ENA (quantity 11,410 KL value ₹ 516.38 million in the year ended March 31, 2019 and quantity 19,650 KL value ₹ 905.60 million in the period July 2017- March 2018) to various customer of IFL (potable industry) without GST.

IV. Customs Revenue Audit (CRA): The Chemical Unit at Sakarwadi is under Export Oriented Unit (EOU) and the second block of Five-year Term started from July 2016 and from July 2017 post GST policy amendment, clause of 50:50 was removed & only positive NFE was introduced. In second block due to slowdown & recession in international market DTA sale was higher than allowed thereby the company could not maintain 50:50 ratio. As per Custom Audit report the company need to

pay ₹ 36.20 million and close for ratio of sales more in domestic market prior to GST and not to wait for five-year completion terms. The company has submitted that the basis for determining the ratio is not correct as sales to EOU and block of five years are to be considered for additional duty, Development Commissioner office have forwarded the company reply to CRA HO Mumbai custom & response is awaited.

V. Cross Subsidy Surcharges to HESCOM: For captive use of power, there is a demand notice from the Assistant Executive Engineer [Electrical] HESCOM Subdivision Mahalingpur, for ₹ 59.10 million towards Cross Subsidy Surcharges for imported power from IEX (Indian Energy Exchange). Writ Petition has been filed before the Honourable High Court of Karnataka. The court has disposed of the matter on November 4, 2020 through a common Order and has suggested to approach KERC (Karnataka Electricity Regulatory Commission). The Company has filed the petition before the KERC on December 30, 2020. HESCOM has to submit the objections before KERC. Now the matter is pending with KERC.

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash flows except Letter of Credits, in respect of matters stated above. Letter of Credits are due within three to six months.

For further details, see “Restated Consolidated Financial Statements- Annexure VII- 32. Commitments and Contingencies” at page 251.

Summary of Related Party Transactions

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

(₹ in million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
The Book Centre Limited	Purchases	1.37	1.92	4.15
Pentokey Organy (India) Limited	Purchases	-	-	62.42
K.J, Somaiya Institute of Applied Agricultural Research	Purchases	2.60	2.69	2.85
	Contribution paid	11.50	7.60	10.00
Amrita Travel Private Limited	Purchases	-	-	8.33
Zenith Commercial Agencies Pvt. Ltd.	Purchases	-	0.38	0.81
Arpit Limited	Purchases	-	0.37	0.44
	Rent paid	0.14	0.14	0.14
	Sales	-	16.28	19.15
Somaiya Publications Private Ltd	Purchases	0.14	0.14	0.54
Somaiya Agencies Private Limited	Purchases	0.14	0.06	0.18
Jasmine Trading Company Private Limited	Rent paid	-	-	11.04
Somaiya Properties & Investments Private Limited	Rent paid	2.65	2.72	6.62
	Purchases	0.70	-	-
Somaiya Chemicals Industries Private Limited	Rent Paid	-	-	0.24
K. J.Somaiya & Sons Private Limited	Royalty paid	17.04	15.82	16.42
	Rent paid	-	-	2.56
Filmedia Communication Systems Private Limited	Rent paid	14.73	14.73	-
	Service Charges paid	0.98	1.06	0.96
Somaiya Vidyavihar/K J Somaiya Medical Trust	Mobile application Development / Training Expenses paid/Professional fees	0.04	0.93	2.58
	Sanitiser Sales	0.09	-	-
Somaiya Vidyavihar	Donation paid	0.88	1.57	6.69
Samir S. Somaiya	Remuneration paid	26.31	23.04	23.76
	Purchases	0.87	0.88	1.04
Vinay V. Joshi	Remuneration paid	5.12	9.15	7.88
Sangeeta A Srivastava	Remuneration paid	5.69	-	-
Shrinivas N. Bableshwar	Remuneration paid	-	0.54	1.47
Bhalchandra R. Bakshi	Remuneration paid	5.21	4.03	2.64
Mohan Somanathan	Remuneration paid	5.42	4.68	4.53
Shri N S Khetan	Remuneration paid	7.72	7.61	6.95
Swarna S Gunware	Remuneration paid	1.04	1.03	0.88
Prajesh Mistry	Remuneration paid	11.84	11.00	10.35
Coen Faber	Management fees	1.02	0.97	0.79
Harinakshi Somaiya	Purchases	0.47	0.52	0.22
	Salary paid	-	-	0.50

Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Shri Jayendra Shah	Director's fees paid	0.42	0.18	0.20
Maya S. Somaiya	Purchases	-	-	0.12
Hemant Luthra	Director's fees paid	0.56	0.07	-
Kailash Pershad	Director's fees paid	0.56	0.42	0.30
Lakshmikantam Mannpalli	Director's fees paid	0.56	0.49	0.24
Preeti Rawat	Director's fees paid	0.21	0.21	0.08
Mandala Capital AG Limited	Director's fees paid	0.49	0.42	0.27
Werner Wutscher	Director's fees paid	-	0.04	0.06
Sanjay Puri	Director's fees paid	0.21	-	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Statements, see “*Restated Consolidated Financial Statements – 34 - Related Party Transactions*” on page 253.

Financing Arrangements

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

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

No Equity Shares have been acquired by our Promoters or the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus.

Average Cost of Acquisition of Equity Shares by our Promoters and Selling Shareholders

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

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹) #
Promoters		
Somaiya Agencies Private Limited	9,354,668	15.91
Samir Shantilal Somaiya*	6,021,211	59.92
Selling Shareholders		
Somaiya Agencies Private Limited	9,354,668	15.91
Samir Shantilal Somaiya*	6,021,211	59.92
Lakshmiwadi Mines and Minerals Private Limited	5,720,717	25.11
Mandala Capital AG Limited	4,926,983	188.91
Filmedia Communication Systems Private Limited	775,730	18.09
Somaiya Properties and Investments Private Limited	131,295	125.92

#As certified by Verma Mehta & Associates, Chartered Accountants, by way of their certificate dated September 24, 2021.

*The cost of acquisition for certain Equity Shares transmitted to Samir Shantilal Somaiya has been considered as nil.

Details of pre-Offer Placement

Our Company, in consultation with the BRLMs and the Selling Shareholders, may consider a further issue of equity shares, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), aggregating up to ₹ 1,000 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and the Pre-IPO Placement will be completed 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.

Offer 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

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

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and/or financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and you may lose all or part of your investment.

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Offer. The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Red Herring Prospectus. This section should be read in conjunction with the sections titled “Industry Overview”, “Our Business”, “Restated Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on pages 103, 147, 215 and 268, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See “Forward Looking Statements” on page 20 of this Draft Red Herring Prospectus.

Unless otherwise expressly stated or the context otherwise requires, the financial information used in this section is derived from the Restated Consolidated Financial Statements. See “Restated Consolidated Financial Statements” on page 215.

INTERNAL RISKS

- 1. We are dependent on the availability of sugarcane, molasses and feedstock for the manufacturing of our products in the sugar, distillery and cogeneration segments. Any shortage of sugarcane, molasses and feedstock may adversely affect our operations, growth prospects and results of operations.***

Sugarcane is the principal raw material used for our products in sugar, distillery and cogeneration segments. The residue generated from the crushing process such as bagasse and molasses are used for power generation and distillery functions. Most of our sugarcane requirement is met through direct purchase from independent farmers cultivating sugarcane around our Sameerwadi Manufacturing Facility. Whilst, we have entered into agreements with farmers for procurement of sugarcane, these agreements are not exclusive in nature and our existing relationships with the farmers plays a critical role in obtaining raw materials for our operations. Our business and results of operations are dependent on our ability to maintain such relationships with the farmers for future sugarcane requirements.

We operate in a competitive market and the farmers may choose to sell their crop to other factories who may offer a better price. We endeavour to provide assistance to the farmers, directly or indirectly, including through technical guidance on agronomical practices, providing subsidised seeds, soil and water testing assistance, training programs, assistance through financial initiatives which include financing procurement of seeds and fertilizers. We also support the agricultural research undertaken by the K. J. Somaiya Institute of Applied Agricultural Research which extensively works with farmers of Bagalkot and Belgaum districts by providing them with technical advisory services on innovative agricultural practices. Our assistance to farmers encourages them to sell their produce to us. However, if the farmers are able to realise a higher price for sales of sugarcane from other sugar factories or other users or if incentives provided by others are more lucrative, the farmers may have an incentive to sell the sugarcane to parties other than us. Although we engage with the farmers to determine the harvesting schedule, the farmers may decide to harvest the crop earlier than scheduled, thereby disrupting our operations. In addition, sugarcane production is dependent on several fluctuating factors such as duration of crushing season, availability of water and condition of soil and monsoons. Uncertainty of the time and duration of crushing season and inability to ascertain the availability

of sugarcane during the crushing season in advance may affect our operating results in one or more periods and which in turn may impact our cash flows. Adverse weather conditions, crop disease and pest attacks may adversely affect sugarcane crop yields and the quality of produce thereby affecting sugar recovery rates and pricing. Further, due to limited availability of land and seasonality of sugarcane cultivation, the farmers may choose to cultivate other competing cash crops and feedstock. If the farmers cultivate other crops, or otherwise limit their cultivation of sugarcane, we cannot assure you that we will be able to meet any shortage of raw material through alternate sources. For further information, see “*Risk Factors - Our sugar, distillery and cogeneration segments are dependent on the availability of sugarcane which is subject to seasonal vagaries, adverse weather conditions, crop disease and pest attacks that may adversely affect crop yields impact the availability and quality of sugarcane and feedstock which may have an adverse impact on our business, financial condition and results of operations.*” on page 30. We cannot assure you that we will be able to source our raw materials in adequate quantity and quality or at all, or at a reasonable price in the future.

2. *Our sugar, distillery and cogeneration segments are dependent on the availability of sugarcane which is subject to seasonal vagaries, adverse weather conditions, crop disease and pest attacks that may adversely affect crop yields impact the availability and quality of sugarcane and feedstock which may have an adverse impact on our business, financial condition and results of operations.*

Our production in the sugar, distillery and cogeneration segments depends on the quality of sugarcane that is procured by us. Accordingly, the availability of sugarcane and yield from sugarcane is dependent on various factors such as amount of rainfall in a particular year, quality of sugarcane, harvesting schedules, irrigation techniques and overall weather conditions.

The presence of any crop disease, adverse weather conditions such as inadequate rainfall and temperature, floods and drought may affect the volume and quality of sugarcane obtained from farmers, thereby adversely affecting our production and pricing of the sugarcane procured by us.

Our production schedules the sugar, distillery and cogeneration segments are operational according to such availability. As a result, our sugar, distillery and cogeneration segments are sensitive to weather conditions such as cropping patterns, drought, floods, cyclones and natural disasters, as well as events such as pest infestations.

There can be no assurance that future weather patterns, potential crop disease or the cultivation of certain sugarcane crop varieties will not adversely affect the quantity of sugar, bagasse, molasses and other by-products that can be recovered in any given harvest. Any short-fall in the desired volume or quality of such products may have an adverse impact on our business, financial condition and results of operations.

3. *We depend on a few suppliers for supply of a significant portion of raw materials (other than sugarcane). Any failure to procure such raw materials from these suppliers may have an adverse impact on our manufacturing operations and results of operations.*

We source our raw materials namely, special denatured spirit (“**SDS**”), acetic acid, methyl ethyl ketone (“**MEK**”) and molasses from a limited number of third-party suppliers from various geographies including India, USA, China and UAE. We do not have long-term contracts with our suppliers for such raw materials. Our three largest suppliers of imported raw materials accounted for 50.75%, 61.50% and 54.77% of our consolidated total raw material purchases (excluding sugarcane), for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. We cannot be certain that we will be able to procure raw materials that meet the specified quality standards on commercially acceptable terms. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, import of raw materials accounted for 31.38%, 30.16% and 36.57% of our consolidated cost of raw material. Our dependence on foreign suppliers subjects us to certain risks and uncertainties which include political and economic instability in the countries in which such suppliers are located, disruptions in transportation, currency exchange rates and transport costs, amongst others. If we fail to (i) receive the quality of raw materials that we require; (ii) negotiate appropriate financial terms; (iii) obtain adequate supply of raw materials in a timely manner, or if our principal suppliers discontinue the supply of such raw materials, or were to experience business disruptions or become insolvent, we cannot assure you that we will be able to find alternate sources for the procurement of raw materials in a timely manner. Moreover, in the event that either our demand increases or our suppliers experience a scarcity of resources, our suppliers may be unable to meet our demand for raw materials. Any such reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner 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. Further, if we cannot reasonably offset increases in the prices of raw materials with the increase in

the prices of our products, we will experience lower margins which will adversely affect our profitability. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition. In addition, the absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials and we may be unable to pass these costs onto our customers, which may adversely affect our profitability.

4. *We derive a significant portion of our revenue from a few products. Our results of operations may be adversely affected if revenue from such products decline.*

We have historically derived a significant portion of our revenues from the sale of a few products, namely, sugar, ethyl acetate, ethanol and 3-methyl-3-penten-2-one (“MPO”). Revenue from sugar, ethyl acetate, ethanol and MPO accounted for 31.94%, 21.62%, 21.28% and 6.50%, respectively of our consolidated revenue from operations in Fiscal 2021, 42.83%, 18.89%, 16.83% and 3.71%, respectively of our consolidated revenue from operations in Fiscal 2020 and 41.09%, 23.91%, 11.94% and 7.86%, respectively of our consolidated revenue from operations in Fiscal 2019. Our revenues from these products may decline as a result of increased competition, pricing pressures, fluctuations in demand for or supply of our products which may adversely affect our business, financial condition and results of operations. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general which include changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes and changes in foreign trade and investment policies.

5. *Our efforts to introduce new products are dependent on the success of our research and development initiatives. Our inability to successfully develop and commercialise new products in a timely manner could adversely impact our business, growth and financial condition.*

The growth of our business depends upon our ability to anticipate and identify changes in the preferences of our customers and offer them products that they require, on a timely basis. While we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product segments.

In order to remain competitive, we must develop, test and manufacture new products, which must meet our customers’ standards including any applicable regulatory standards. We have established a dedicated research and development facility in Navi Mumbai, Maharashtra and a research and development facility at each of our Manufacturing Facilities. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, our expenditure for research and development activities was ₹ 149.89 million, ₹ 148.40 million and ₹ 131.65 million, respectively, representing 1.00%, 1.01% and 0.84% of our consolidated total expenses for the respective periods. However, our investments in research and development for new products and processes may result in higher costs without proportionate increase in revenues. Any failure on our part to successfully identify and commercialise new products may have an adverse on our business, financial condition and results of operations.

Our ability to successfully introduce new and innovative products also depends on our ability to adapt and invest in new technologies. There can be no assurance that we will be able to scale up our production and distribution network or make timely investments in technological improvements in order to commercialise new products in a timely manner. Further, our competitors may launch competing or improved products. Failure to predict and respond effectively to this competition could render our existing or new products less competitive in terms of price and quality. Delays or failure in developing new or commercially viable products could adversely affect our business, financial condition and results of operations.

6. *Our inability to set and/or control the prices of sugarcane, ethanol and sugar may impact our results of operations and profitability.*

Our profitability depends significantly on the cost of sugarcane, our raw material, and the selling price of sugar. The price to be paid to the farmers for sugarcane is determined by the fair and remunerative price, premium and recovery levels fixed by the Government of India. However, we may be subject to pay an enhanced price to the farmers for sugarcane depending upon market conditions including prices paid by our competitors for procurement of sugarcane. Further, the market price of our sugar products and by-products are variable and dependent on prevailing market prices, competition, demand and supply patterns and cyclical nature of the industry. The market in India has experienced periods of limited supply, causing sugar prices and industry profit margins to increase, followed by periods of excess production that result in oversupply, causing declines in sugar prices and industry profit margins. Rising procurement prices for sugarcane, particularly in the event of a decrease in the price of sugar may cause our margins to fluctuate and adversely

affect our results of operations and financial condition. Further, although the price of sugar is market driven, a minimum selling price is fixed and regulated by the Government of India for sale of white or refined sugar for domestic consumption. Similarly, the pricing of ethanol to be supplied to oil marketing companies under the Ethanol Blended Petrol Programme (“**EBP Program**”) are dependent on government mandated price and blending targets set by the Government. Our revenue from sale of ethanol to the EBP Program was ₹ 3273.16 million, ₹ 2,456.22 million and ₹ 1,853.65 million for Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively. Our revenue from sale of ethanol to the EBP Program accounted for 21.28%, 16.83% and 11.94% of our consolidated revenue from operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively. Any change in governmental policies for procurement or pricing for sugarcane, ethanol or sugar may adversely affect our business, results of operations and financial condition.

7. *SEBI has in the past directed our Company to refund amounts received pursuant to certain allotments to Sameerwadi Sugarcane Farmers’ Welfare Trust or to pro rata distribute Equity Shares, to beneficiaries of the Sameerwadi Sugarcane Farmers’ Welfare Trust.*

Pursuant to a complaint against our Company, Samir Shantilal Somaiya, Sameerwadi Sugarcane Farmer’s Welfare Trust (“**Sameerwadi Trust**”) and others (together, the “**Noticees**”), SEBI issued show cause notices against the Noticees alleging that certain allotment of Equity Shares by our Company to the Sameerwadi Trust against investments made by the Sameerwadi Trust using contributions collected from sugarcane farmers (“**Contributories**”) were in non-compliance of certain provisions of the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. SEBI through its order dated January 1, 2016 (“**SEBI Order**”), directed the Noticees *inter alia* to refund the investment amounts received from the Contributories along with interest and adjustments for dividend. Alternatively, our Company was directed to make pro rata distribution of our Equity Shares along with other additional payments as prescribed in the SEBI Order to such Contributories who consented to the pro rata distribution. Such directions were to be complied within a period of 12 months from the date of the SEBI Order. Further, the trustees of the Sameerwadi Trust, including one of our directors Bhalachandra Bakshi, were restrained from buying, selling and dealing in securities and from accessing the securities market, directly or indirectly, in any manner until compliance of the SEBI Order.

In furtherance of the SEBI Order, 1,841,850 Equity Shares allotted to the Sameerwadi Sugarcane Farmers’ Welfare Trust on November 20, 2009 and 427,750 Equity Shares allotted to the Sameerwadi Sugarcane Farmers’ Welfare Trust on March 30, 2010 were transferred to the beneficiaries of the Sameerwadi Sugarcane Farmers’ Welfare Trust who consented for acquisition of such shares, in addition to payment of differential amount of ₹ 16 per share along with interest to such beneficiaries. Sameerwadi Sugarcane Farmers’ Welfare Trust had distributed ₹19,680 among all the beneficiaries pursuant to the SEBI Order. For details, see the section titled “*Capital Structure*” on page 78. SEBI noted the compliance of its directions and revoked the SEBI Order through its order dated August 7, 2017. We cannot assure you that we will not be involved in any regulatory or legal proceedings in the future.

8. *A significant portion of our revenue from the sale of ethanol is dependent on the sales to oil marketing companies pursuant to the ethanol blended petrol programme instituted by the Government of India. Any adverse change in the policies of the Government of India in this regard, would have an adverse effect on our revenue, results of operations and financial condition.*

Our Company sells a significant portion of the total production of ethanol to oil marketing companies under the ethanol blended petrol programme (“**EBP Program**”) of the Government of India under a tender driven process. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, revenue from sale of ethanol from the EBP Program accounted for 21.28%, 16.83% and 11.92% respectively of our consolidated revenue from operations. We cannot assure if we will be able to successfully bid in order to continue participating in the EBP Program, especially owing to the increasing competition among ethanol providers. Further, we cannot assure you that we will be able to maintain historic levels of business with the oil manufacturing companies. Failure to provide the requisite quantum of ethanol under existing arrangements or to meet other terms and conditions may result in *inter alia* the oil marketing companies paying reduced prices for the quantity delivered, invoking of bank guarantee furnished by the Company or the Company being ineligible to participate in the process for a particular period. Any reduction in sales of ethanol under the EBP Program may have an adverse effect on our business, financial condition and results of operations.

The EBP Program is regulated by the Government of India and the demand for ethanol is dependent on the requirements of the EBP Program. While the Government of India’s policy requires that the ethanol blend in

petrol should be increased to 20% by 2025, any change or delays in implementation of such policy may adversely affect the demand for ethanol under the EBP Program.

Our production and pricing of ethanol for the EBP Program are subject to the policies, notifications and incentives provided by the Government of India, from time to time. Over the years, our contribution in terms of volume towards the EBP Program has increased owing to the Government of India's decision to scale up blending targets for oil marketing companies. We also benefit from the incentives provided by the Government of India through various schemes under the EBP Program. For example, the Company has availed a loan aggregating to ₹ 473.80 million for enhancement of our ethanol production capacity under an interest subvention scheme of the Department of Food and Public Distribution of the Government of India. Any change in governmental policies could adversely affect the business and results of operations of our Company.

9. *Our business in the sugar, distillery and cogeneration segments are subject to seasonal variations that could result in fluctuations in our results of operations.*

Our production in the sugar, distillery and cogeneration segments are influenced by the availability of our basic raw material, i.e. sugarcane. To that extent, our business is sensitive to duration of crushing season, cropping patterns, drought, floods, cyclones and natural disasters, as well as events such as pest infestations. For example, in Fiscal 2020 on account of floods in the Ghataprabha and Krishna basins, the standing sugarcane crop was submerged which adversely impacted our sugarcane crushing operations. Meteorologically, our country has diversified and different weather conditions that prevail at different places. Sometimes, one region receives very heavy rainfall whereas another region receives scant rainfall. In the Bagalkot region of Karnataka, the crushing season generally starts from late October or early November each year and remains till late March. However, in the non-crushing season, i.e. April to October, in addition to our sugar production, our co-generation and distillery units may be affected by the shortage of bagasse and molasses. As a result of such seasonal fluctuations, our sales and results of operations may vary for every quarter and may not be relied upon as indicators of the sales or results of operations of other fiscal quarters, or of our future performance. Our revenue from operations during the third and fourth quarters are typically higher than the first and second quarters, whereas our operating expenses in connection with day-to-day operations, employees' salaries, miscellaneous maintenance cost and among other things, product promotion expenses, continue to be substantial throughout. We have experienced, and expect to continue to experience, significant variability in our total revenue, operating cash flows, operating expenses and net revenues on a seasonal basis. Further, see "*Management's Discussion and Analysis of Financial Position and Results of Operations— Seasonality of Business*" on page 281.

Other seasonal factors such as irrigation, area of sugarcane production and amount of rainfall also play a role in determining the quantity and quality of sugarcane produce. Adverse weather conditions may cause volatility in the prices of commodities, which may affect farmers' decisions about the types and quantum of crops to plant. Further, we may be subjected to decreased availability of water, which could impact our manufacturing operations. Any vagaries of weather and abnormal monsoon may affect crop production, destroy crops and subsequently increase the prices of our raw materials which can have an adverse effect on our results of operations. Although, we intend to establish a facility for the utilisation of maize at the Sameerwadi Manufacturing Facility for our distillery operations which will reduce our dependence on sugarcane and the related seasonal availability, we are currently dependent on the availability of sugarcane and accordingly any significant changes in the cultivable area and the cropping patterns of the sugarcane crops may impact our sales and profitability. For details, see the section titled "*Our Business*" on page 147.

10. *Any social unrest, natural disaster or any other natural disaster in and around our Manufacturing Facilities or any disruption in production at, or shutdown of, our Manufacturing Facilities or breakdown of machinery could have material adverse effect on our business and financial condition.*

Our manufacturing operations and consequently our business is dependent upon our ability to manage the Manufacturing Facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at our Manufacturing Facilities or breakdown of machinery, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions, our ability to manufacture our products may be adversely affected.

We depend on expensive machinery for manufacture of our products and any breakdown of such machinery at our Manufacturing Facilities could result in us being unable to meet with our commitments or require us

to incur significant capital expenditure. Our chemical manufacturing operations are hosted in the Sakarwadi Manufacturing Facility at Ahmednagar, Maharashtra, while the manufacturing of sugar, cogeneration and distillery operations are undertaken at the Sameerwadi Manufacturing Facility in Bagalkot, Karnataka. Consequently, in case of any significant social, political or economic disruption, or natural calamities or civil disruptions in Maharashtra or Karnataka, or changes in the policies of the respective states or local governments, or disruptions in and around our facilities, we may be required to suspend our operations in such facility resulting in delays or inability to manufacture the relevant products for the duration of shutdown. Any prolonged suspension or disruption of our operations at our Manufacturing Facilities will have an adverse effect on our business, results of operation and financial condition. For example, in Fiscal 2020 on account of floods in the Ghataprabha and Krishna basins, the sugarcane crop was submerged which adversely impacted our sugarcane crushing operations during this period.

Further, we cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our Manufacturing Facilities, which may impair our operations and adversely affect our business, results of operations and financial condition.

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

We are dependent on a limited number of customers for a significant portion of our revenues. Revenues generated from sales to our top five customers represented 30.89%, 31.36% and 27.81% of our consolidated revenue from operations in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. Further, we typically do not have firm commitment in the form of long-term supply agreements with most of our key customers and instead rely on purchase orders including through the tender route to govern the volume and other terms of our sales of products. We do not typically have exclusivity arrangements with most of our customers. While we have developed long-term relationships with certain of our customers, there is no commitment on the part of our key customers to continue to place new purchase orders with us and as a result, our cash flow and consequent revenue may fluctuate significantly from time to time. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be forced to incur a loss. The loss of one or more of these significant customers or a significant decrease in business from any such key customer may materially and adversely affect our business, results of operations and financial condition. Further, a significant portion of our revenue is derived from sales to customers in food and beverage, biofuels, pharmaceuticals, personal care and cosmetics and fragrance industries. In Fiscal 2021, our revenue from sales to customers in food and beverages, fuel, pharmaceuticals and flavours and fragrance industries accounted for 32.16%, 21.69%, 11.48% and 7.29% of our consolidated revenue from operations, respectively. Our growth also depends to a large extent on the success of our customers' products with end consumers. Any adverse changes in circumstances, market conditions, demand-supply patterns affecting the industry in which our customers operate or in the economic environment generally, such as the COVID-19 pandemic may have an adverse impact on our business, results of operations and financial condition.

Our reliance on a select group of customers may impact our ability to competitively negotiate our arrangements. For instance, one of our agreements provides for a right of first refusal to purchase products that are manufactured by the Company beyond a certain capacity, in accordance with the terms of such agreement entered into between the buyer and the Company. Further, our sale of surplus power is made to five electricity supply companies forming part of the power purchase agreement entered into with them. In the event our power purchase agreement is terminated for any reason, or the same is not renewed upon expiration, we will have to sell power in the open market where we cannot guarantee regular sales or price. For further details, see "*Risk Factors - Our power business has been dependent on the power purchase agreement entered into with certain state owned procurers in the state of Karnataka. Any failure to renew the power purchase agreement on the terms which are acceptable to us or at all, may adversely impact our operations, prospects and results of operations with respect to our power business*".

The deterioration of the financial condition or business prospects of our significant customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. 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. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

12. *Bio chemicals industry requires significant capital and we may need to seek additional financing in the future to support our growth strategies.*

The bio chemicals industry requires a substantial amount of capital and we will continue to incur significant expenditure in the future for maintaining and growing our existing infrastructure, purchasing equipment and developing and implementing new technologies in our new and existing manufacturing facilities. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, our payments for purchase of property, plant and equipment were ₹ 123.41 million, ₹ 264.73 million and ₹ 686.78 million, respectively of our consolidated total expenditure in such periods. While we have principally funded our capital expenditure through internal accruals, cash flow from operations and debt, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, and other financial institutions. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, our credit rating, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Further, if we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

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

Our manufacturing operations require a significant amount and continuous supply of power and water and any shortage or non-availability may adversely affect our manufacturing operations.

We have a power plants at the Sameerwadi Manufacturing Facility. In Fiscal 2021, most of the Sameerwadi Manufacturing Facility's power requirements was met through such power plants. If our power generation capabilities are disrupted, we may have to incur additional costs towards sourcing additional power, which may result in an increase in our production costs and adversely affect our results of operations. Our power consumption needs at the Sakarwadi Manufacturing Facility is currently met through a combination of power generated captively and through the grid. We cannot assure you that these will be sufficient or that we will not face a shortage of electricity despite these arrangements. Our power and fuel expenses accounted for 5.59%, 5.36% and 5.30% respectively, of our consolidated total expenses in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

We currently source our water requirements through the Ghataprabha river and wells for the Sameerwadi Manufacturing Facility. Our water requirements at the Sakarwadi Manufacturing Facility are met through a combination of our wells, canal water and water from the Godavari river. There is no assurance that we will at all times receive a continued supply of water on the scale required by us or at all. Any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, may have an adverse effect on our business, results of operations and financial condition.

14. *We do not own the 'Somaiya Group' trademarks and our ability to use these trademarks, names and logos may be impaired.*

The "Somaiya" trademarks, names and logos ("**Somaiya Marks**") do not belong to us. These have been licensed to us for use under a trademark licence agreement with K. J. Somaiya and Sons Private Limited ("**KJSSPL**"), a member of our promoter group. The license granted by KJSSPL under the terms of the agreement is non-exclusive and non-assignable with a license fee payable on a quarterly basis depending upon the gross revenue of our Company. The licence agreement is valid for 10 years with effect from April 1, 2021 and can be terminated by KJSSPL in case of any breach of terms of the agreement by giving a thirty days' prior notice in writing to us. In case the licence is revoked, we will not be able to use the Somaiya Marks in connection with our business and we may be unable to capitalise on the brand recognition of the Somaiya group. Further, under our Articles of Association, our Company shall use the "Somaiya" name, brand, logo and/or marks till such time as the Somaiya group collectively holds at least 25% of the paid-up equity share capital of our Company. In the event the collective shareholding of the Somaiya group falls below 25%, our Company requires the express consent of Samir Shantilal Somaiya or the Somaiya group to use the Somaiya Marks.

15. *The continuing impact of the outbreak of the novel coronavirus could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.*

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. With the decrease in number of COVID-19 cases, the lockdown was slowly eased during the end of 2020 and early 2021. Certain countries have reinstated lockdown conditions due to a “second wave” of the COVID-19 outbreak. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Resurgence of the virus or a variant of the virus that causes a rapid increase in cases and deaths, if measures taken by governments fail or if vaccinations are not administered as planned, may cause significant economic disruption in India and in the rest of the world.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, ‘stay-at-home’ orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities. No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced.

Since certain of our products are categorised as “essential goods”, our Sameerwadi Facility operated at 50% employee capacity until May 31, 2020 and resumed normal functions from June 1, 2020, while our Sakarwadi Facility was shut down for a period of 7 days and was operational post April 1, 2020. We have implemented safety procedures and requirements at our Manufacturing Facilities to meet the government’s requirement on sanitisation, staggered shifts and social distancing. On account of lockdown imposed by the State Government of Karnataka owing to the second wave of COVID-19, the operations at the sugar division were temporarily suspended from May 10, 2021 to May 31, 2021. In addition, due to the lockdown imposed by the Government of India, demand for our products, specifically from the food, beverage and FMCG sectors was severely impacted between May – June 2021. Further, there is a likelihood of continuation of disruption in supply chain, raw material/supply, transport and service costs which may adversely affect our production and profits. We have continued selling products to our customers and our revenue from operations on a consolidated basis was ₹ 15,381.73 million, ₹ 14,591.49 million and ₹ 15,522.29 million in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

As a consequence of the scale of the pandemic and the extent to which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly from our historical rates, and our future operating results may fall below expectations. The potential impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- a temporary shutdown of our manufacturing facilities due to government restrictions or illness in connection with COVID-19;
- a decrease in demand for our products as a result of COVID-19 on account of government restrictions imposed and additionally on account of cost control measures implemented by our customers;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- delays in orders or delivery of orders due to delays at ports, which may negatively impact our exports and consequently our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and

- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Further, we generate our revenues from different geographies due to exports. The effects of COVID-19 in India and the geographies we operate in may last for different duration or have different magnitude in different countries which may make it difficult for us to normalise the operations. Due to logistical disruptions and delay in dispatch and delivery of orders on account of COVID-19, an export consignment to one of our customers was rejected. We cannot assure that any such delays beyond our control may not happen in the future and can have an adverse effect on our business and financial condition.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers employees and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Our existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “*Risk Factors*” section. Further, see “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Principal Factors Affecting Our Financial Condition and Results of Operations– The COVID-19 pandemic*” on page 270.

As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

16. *The expansion of the Sameerwadi Manufacturing Facility by utilisation of a portion of Net Proceeds is dependent on external factors which may not be within the control of our management.*

We propose to utilise a portion of the Net Proceeds of the Fresh Issue to fund capital expenditure for establishing a potash manufacturing unit and for expansion of sugarcane crushing capacity at Sameerwadi Manufacturing Facility. For further details, see “*Objects of the Offer*” on page 89. The completion of such expansion is dependent on the performance of external agencies, which are responsible for *inter alia* civil work, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns which could adversely affect our business and results of operations and it could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Further, we have not yet placed orders for some of our plant, machinery and equipment for the proposed potash manufacturing unit and for expansion of sugarcane crushing capacity at Sameerwadi Manufacturing Facility. Any delay in procurement of plant and machinery or equipment may delay the schedule of implementation, which may also lead to increase in prices of these equipment, further affecting our cost, revenue and profitability. Further, the estimated costs for proposed capital expenditure plans as mentioned above are based on management estimates and current conditions and are subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays as a result of, among other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors’ or external agencies’ failure to perform, exchange rate fluctuations, changes in commodity prices (particularly in price of steel), unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/or force majeure events (including the continuing impact of the COVID-19 pandemic), any of which could give rise to cost overruns and delays in our implementation schedules.

If our actual capital expenditure plans as mentioned above significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our business, financial condition, results of operations and cash flows. There can be no assurance that we will be able to complete the aforementioned

capital expenditure plans in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, financial condition and results of operations.

17. *Implementation of our expansion plans and growth strategies is subject to various risks and uncertainties and our inability to execute such plans or strategies within budgeted costs and timelines could adversely affect our business, financial condition and results of operations.*

Our current growth strategies include continuing to diversify product offerings and expanding our manufacturing capabilities, including by expanding sugarcane crushing capacity, establishing a unit for the manufacturing of potash and developing capabilities for utilising grains (including maize) as feedstock in the production of Rectified Spirits and Ethanol, at our Sameerwadi Manufacturing Facility. We also propose to expand our manufacturing capacity to manufacture various chemicals such as cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite and propose to set up India's first manufacturing plant of EVE (Source: Frost & Sullivan Report) at our Sakarwadi Manufacturing Facility. Our growth strategies include implementation of additional measures for improving feedstock security and increasing value derived from feedstock and, increasing the share of business of existing customers with a continuing focus on implementation of sustainable practices and strengthening our control over our inputs. For details, please see, "Our Business – Our Strategies" beginning on page 154.

We may face challenges in inter alia making accurate assessments of the resources we require, acquiring new customers and increasing or maintaining contribution from existing customers, procuring raw materials at sustainable costs, recruiting, training and retaining sufficient skilled personnel, maintaining high levels of customer satisfaction and adhering to expected performance and quality standards. Our growth strategies are subject to risks many of which are beyond our control and plans may undergo changes or modifications pursuant to changes in market conditions, industry dynamics, technological improvements or regulatory changes. Accordingly, there can be no assurance that we will be able to implement our strategies or growth plans or complete them within the budgeted cost and timelines. Further, our expansion strategies are subject to receipt of approvals from relevant statutory, regulatory or other authorities to the extent applicable. If we fail to obtain such licenses or approvals or permits in a timely manner, we may not be able to execute our expansion strategies within budgeted timelines or costs. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our expansion plans or growth strategies for the future. If, for any reason, the benefits we realise from our expansion plans and growth strategies are less than our estimates, our business, financial condition and results of operations may be adversely affected.

18. *Our estimates of production volumes may not correspond to the actual demand for our products.*

We estimate our production volumes based on customer dialogue, trade exhibitions and conferences, purchase orders, historical production volumes by our customers, our experience and general economic and market conditions. However, we are unable to assure that the demand for our products will develop in line with our estimates. There is no assurance that we will be able to plan our production schedules to meet the actual requirements. In addition, regardless of the accuracy of such indicators, factors outside our control may require revision of our estimates. If we over-estimate the volume of products we expect to sell, we will have excess production capacity which may reduce operational efficiency and the margins on the products sold. If we underestimate the volume of products, we need to produce at any of our manufacturing facilities or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders, which may affect our reputation or lead to a discontinuation of future orders from customers which could have a material adverse effect on our business, financial condition and results of operations. Further, capacity utilisation of our Manufacturing Facilities as disclosed in this Draft Red Herring Prospectus are based on the period during which the manufacturing facilities operate in a year/period, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and considering the number of working days in a year and number of shifts in a day. Accordingly, actual manufacturing capacity levels may vary from the information of our manufacturing facilities included in this Draft Red Herring Prospectus.

19. *We are dependent on third party transportation and logistics providers. Any disruptions in logistics and transportation or significant increase in freight charges could adversely affect our business, financial condition and results of operations.*

We depend on the smooth logistics, supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers and

distribution partners. We rely on third party logistic services to procure raw materials from our suppliers and for delivery of our products. Expenses towards logistics and freight represented 2.27%, 1.15% and 1.05% of our consolidated revenue from operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

Transportation strikes may have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Although certain agreements with the logistics companies impose liability on such logistics companies for damage or loss in transit, we cannot assure if we will be able to recover the losses in part or in full. Failures to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and may damage our relationships with our affected customers. Our logistics service providers have the necessary expertise in transporting certain of our products such as chemicals. In case our transportation and logistics service providers are unable to perform their services we cannot assure you that we will be able to deploy suitable alternative transportation services at favourable rates in a timely manner. Further, any increase in fuel costs could have a corresponding impact on freight charges which we may not be able to pass on to our customers. Any significant increase in our freight costs which we are unable to pass on to our customers may adversely affect our business and results of operations.

- 20. *We have not been registered as the occupant under the Karnataka Certain Inams Abolition Act, 1977 of a portion of the land on which the Sameerwadi Manufacturing Facility is located. Any premium and/or penalty and/or other action taken by the State Government of Karnataka against our Company with respect to such land in accordance with the Karnataka Certain Inams Abolition Act, 1977 may adversely affect our revenue from operations and financial condition.***

A portion of the land on which the Sameerwadi Manufacturing Facility is located (“**Relevant Land**”), was originally utilised by The Godavari Sugar Mills Limited on a leasehold basis. Pursuant to the introduction of the Karnataka Certain Inams Abolition Act, 1977 (“**Inams Abolition Act**”), since the Relevant Land was classified as “inam land” under the Inam Abolition Act, the rights of the owner of the Relevant Land at the time was extinguished and The Godavari Sugar Mills Limited was entitled to be registered as an occupant of the Relevant Land. The Godavari Sugar Mills Limited was required to register itself as the occupant of the Relevant Lands with the specified tribunal and make payment of premium in accordance with the Inams Abolition Act. The Relevant Land was mutated in the name of The Godavari Sugar Mills Limited. The Relevant Land has since been transferred from The Godavari Sugar Mills Limited to our Company pursuant to the scheme of arrangement between The Godavari Sugar Mills Limited and our Company, which was approved by the High Court of Bombay by its order dated March 20, 2009 with the appointed date of April 1, 2008.

Whilst the Relevant Land has been mutated in the name of The Godavari Sugar Mills Limited, as on the date of this Draft Red Herring Prospectus, our Company has not been registered as the occupant of the Relevant Land under the Inams Abolition Act and the premium has not been paid under the Inams Abolition Act. We cannot assure you that the State Government of Karnataka will not, impose any premium and/or penalty on us or take any other action against our Company with respect to the Relevant Land in accordance with the Inams Abolition Act. Any such occurrence may adversely affect our revenue from operations and financial condition.

- 21. *Our power business has been dependent on the power purchase agreement entered into with certain state owned procurers in the state of Karnataka. Any failure to renew the power purchase agreement on the terms which are acceptable to us or at all, may adversely impact our operations, prospects and results of operations with respect to our power business.***

We entered into a Power Purchase Agreement (“**PPA**”) with certain electricity supply companies in the state of Karnataka on January 2, 2017 with a validity of five years from 2016-17 for purchase of power from our bagasse based co-generation plant, at a tariff determined by Karnataka Electricity Regulatory Commission (“**KERC**”). Certain orders and clarifications in relation to tariff determination passed by KERC subsequently, were challenged by our Company as well as other co-generation power plants which are pending determination. In case an unfavourable order is passed in relation to such tariff determination, it may adversely impact our power business. Subsequently, one of electricity supply companies also issued a communication dated March 6, 2021, contending that all such power purchase agreements having a validity of five years from 2016-2017 were valid until March 31, 2021. This communication was challenged by several bagasse based co-generation plants. The High Court of Karnataka by way of its order dated July 20,

2021 (“**Order**”) in such matters clarified the issue of interpretation of term of the power purchase agreements and held that such validity would be determined as five years from the date of the agreement i.e., January 2, 2017 till January 1, 2022. The Order, further quashed the communication dated March 6, 2021. While we believe that the Order clarifies the validity of our PPA, we cannot assure that such PPA will not be foreclosed before its term. The PPA also imposes several obligations on our Company including compliance with the Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013, as amended and the guidelines and orders issued thereunder, upgradation of facilities as per the specifications of the procurers and observing prudent utility practices. Compliance with these requirements may restrict our ability to undertake certain business operations and may increase our compliance costs.

Further, the procurers may, upon the occurrence of a default on the Company’s part, terminate the PPA after giving notice to that effect. In case of any such termination, we may be required to sell the surplus power in the open market. We cannot guarantee that we will be able to negotiate the best price per unit of electricity in case of an open sale including the credit risk of payment from multiple small power purchasers. Failure to sell power at favourable terms may adversely impact our operations, prospects and results of operations with respect to our power business.

22. *Our international operations exposes us to risks of imposition of international trade barriers including in jurisdictions in which we operate and seek to operate, which could adversely affect our business and results of operations.*

We have customers from over 20 countries including Australia, China, France, Germany, Italy, Japan, Kenya, Netherlands, Nigeria, Singapore, Switzerland, United Kingdom, United Arab Emirates and U.S.A. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, revenue from customers outside India accounted for 18.62%, 16.94% and 22.53% respectively of our consolidated revenue from operations. In particular, UAE, U.S.A. and China accounted for 28.07%, 23.67% and 12.95% of our revenue from customers outside India in Fiscal 2021. We may be subject to tariffs, quotas and other tariff and non-tariff trade barriers from time to time on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the jurisdictions where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our sales and our results of operations.

23. *A portion of our revenues are denominated in foreign currencies. As a result, our Company is exposed to foreign currency exchange risks.*

We are exposed to foreign exchange related risks since a certain portion of our revenue is in foreign currency, being Euro and US Dollars. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, revenue from customers outside India accounted for 18.62%, 16.94% and 22.53%, respectively, of our consolidated revenue from operations. Similarly, a significant portion of our expenses, including cost of imported raw material are denominated in currencies other than Indian Rupees. In Fiscal 2021, Fiscal 2020 and Fiscal 2019, expenses in foreign currency accounted for 17.04%, 16.27% and 22.09%, respectively, of our consolidated total expenses. Since our total exports are more than our total imports, any appreciation of the Indian Rupee can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. Whilst the Company follows a foreign exchange risk management policy by principally utilising tools which support natural hedging, there can be no assurance that such measures will enable us to manage our foreign currency risks. Certain markets in which we sell our products may be subject to foreign exchange control risks, which may result in either delayed recovery or even non-realization of revenue. Further, any change in domestic policies which limits our ability to effectively hedge our foreign currency exposures may have an adverse effect on our results of operations.

24. *We benefit from certain export incentives from the Government of India and certain other benefits, which if withdrawn or modified may have an adverse impact on our results operations.*

We currently avail benefits under certain export promotion schemes which allows benefits including refund of customs duty under duty drawback scheme, reimbursement of certain taxes and duties and subsidy for sugar under sugar export policies, among others. Further, the benefits/ incentives under such schemes are available to us for a fixed period subject to compliance with various terms and conditions. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits. For instance, one of our units enjoyed EOU status under the EOU scheme of the Government of India. However, due to the COVID-19 pandemic, there was a substantial decrease in our exports and we were unable to maintain a positive NFE. Accordingly, our Company has applied for an exit

from the EOU scheme. Any such withdrawal or reduction of benefits or our inability to meet any of the conditions prescribed under any of the schemes may adversely affect our results of operations.

25. *Our Promoters and certain of our Directors are interested in entities from whom we propose to acquire certain land.*

Our Company has entered into separate memorandum of understandings with Somaiya Properties and Investments Private Limited (“**Somaiya Properties**”), Somaiya Chemical Industries Private Limited (“**SCIPL**”) and Sakarwadi Trading Company Private Limited (“**Sakarwadi Trading**”, and collectively with Somaiya Properties and SCIPL, the “**Entities**”), each dated September 13, 2021 to purchase certain land near the Sakarwadi Manufacturing Facility for the purpose of expanding our manufacturing capacity for chemicals at our Sakarwadi Manufacturing Facility. For more details, see “*Our Business-Properties*” and “*History and Certain Corporate Matters*” beginning on page 165 and 175, respectively. Samir Shantilal Somaiya is interested in these entities as a director and/or shareholder. Suhas Uttam Godage, Additional Executive Director (Sakarwadi -Works) is also interested in Somaiya Properties as a director. Further, Somaiya Agencies Private Limited is interested in Somaiya Properties and Sakarwadi Trading as a shareholder.

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

We are dependent on the services of our individual Promoter, Samir Shantilal Somaiya, Directors, Key Managerial Personnel, senior management personnel for setting our strategic business direction and managing our business. For details in relation to the experience of our individual Promoter, Directors and Key Managerial Personnel, see “*Our Promoters and Promoter Group*” and “*Our Management*” on pages 206 and 187, respectively. We believe that the inputs and experience of our individual Promoter, Directors and Key Managerial Personnel have been valuable for the development of business and operations and the strategic directions taken by our Company. However, we cannot assure you that we will be able to retain them or find adequate replacements in a timely manner, or at all. The loss of or diminution in the services of our individual Promoter, Directors and Key Managerial Personnel, or an inability to manage the attrition levels in different employee categories could have a material adverse effect on our business, financial condition and results of operations.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could have a material adverse effect on our business, financial condition and results of operations.

27. *Failure to retain our technical personnel and other skilled employees or attract such additional skilled personnel could have a material adverse effect on our business, financial condition and results of operations.*

Our success depends in part on our ability to retain and attract technical and other skilled personnel. Our ability to successfully carry out research and development depends on our ability to attract and retain appropriate technical personnel, including consultants. Our operations and manufacturing quality could suffer without the adequate number and quality of technical and skilled personnel.

Our manufacturing operations are primarily concentrated in the Manufacturing Facilities at Bagalkot, Karnataka and Ahmednagar, Maharashtra. We accordingly require substantial skilled and semi-skilled personnel for efficient functioning of the Manufacturing Facilities and proposed expansion. Our inability to employ or retain skilled and semi-skilled personnel may result in a disruption in our operations.

Competition for qualified technical personnel and operators as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. Any failure to retain and attract additional technical, skilled or sales personnel could have a material adverse effect on our business, financial condition and results of operations.

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

As of March 31, 2021, our total outstanding borrowings on a consolidated basis (including non-fund based facilities availed by our Company) was ₹ 6,170.24 million. For further details, please see “*Financial Indebtedness*” on page 283. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulator and economic conditions.

Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require our Company to obtain the approval of the relevant lender for *inter alia* changing or modifying our ownership, altering our capital structure, further issuance of any shares, effecting any scheme of amalgamation or reconstitution, alteration to the constitutional documents of the Company, restructuring or changing the management, dilution of Promoters’ shareholding, changing our shareholding pattern. While we have obtained necessary consents from our lenders as required under our loan/financing documentation, for undertaking the Offer and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

We are required to create charge over our present and future current assets and certain of our movable and immovable fixed assets and furnish guarantees from certain members of our Promoter Group. Further, our financing agreements also stipulate *inter alia* financial covenants required to be maintained by us during the duration of the facilities. There can be no assurance that our lenders will not enforce the event of default clauses forming part of our borrowing arrangements and recall the loans and/or facilities advanced to us in the future. Further, a majority of our outstanding indebtedness have floating rates of interest. Any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, default, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

29. *We extend credit to harvesting and transport contractors, farmers and cultivators from whom we purchase sugarcane. There is no assurance that such persons will be able to repay us, within the agreed timeframe or at all.*

In the ordinary course of business, we extend credit to farmers from whom we procure sugarcane and feedstock in order to offer financial support and maintain cordial relationships with them. Consequently, we are exposed to the risk of uncertainty regarding the receipt of the outstanding amounts. As at March 31, 2021 our receivables from credit to harvesting and transport contractors, farmers and cultivators was ₹ 88.34 million. We cannot assure that such persons will be able to repay the full amount in a timely manner or if such credit can be fully recovered against the raw materials supplied.

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

Certain of the raw materials such as bagasse, acetic acid, ethanol, acetaldehyde and MEK that we use as well as certain of our finished goods such as ethanol and other chemicals that we produce are corrosive and/or flammable and require technical handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property or environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition and require us to incur significant capital expenditure. Further, any fire or industrial accident, any shutdown of any of our Manufacturing Facilities or warehouses or any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. For example, we have in the past had instances of fire accidents at our Manufacturing Facilities causing injuries and/or death of our workers. For details, see “*Outstanding Litigation and Other Material Developments*” beginning on page 286.

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

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

Our operations are subject to various risks including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We apply for 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. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

Our insurance cover for property, plant and equipment as of March 31, 2021 was ₹ 15,234.15 million, while our gross block of property, plant and equipment (excluding land) was ₹ 7,034.38 million as of March 31, 2021. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment (excluding land) was 216.57%, as of March 31, 2021. 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 may adversely affect our results of operations. For further information on our insurance arrangements, see “*Our Business – Insurance*” on page 164.

- 32. *Our business may expose us to potential product liability claims and recalls, which could adversely affect our financial condition and performance.***

We are exposed to potential product liability claims, and the severity and timing of such claims are

unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. The products that we produce are subject to risks such as contamination, adulteration and/or spoilage and product tampering during their production, transportation or storage. While our products are extensively tested before being commercialized, any adverse effects caused by such products could adversely affect our business and reputation. 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. Product liability claims regardless of their merits or the ultimate success of the defence against them, are expensive, consume management time and may adversely affect our goodwill and marketability of our products.

Whilst, we have insurance coverage for product liability, we cannot assure that we will be able to obtain the type and amount of coverage we desire at an acceptable price and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business.

33. *We are required to obtain, renew or maintain certain material statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, we may be unable to operate our business effectively and our results of operations may be adversely affected.*

Our operations are subject to government regulations 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. For details of material approvals relating to the business and operations of our Company, see “*Government and Other Approvals*” on page 292.

Several of our approvals are granted for a limited duration and require timely renewal. One of these approvals have expired and we have made an application for obtaining its renewal. For details of pending material approvals of our Company, see “*Government and Other Approvals*” on page 292. We cannot assure you that approvals that we apply for will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to various conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

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

Our operations generate pollutants and waste, some of which may be hazardous. We are therefore subject to a broad range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste, and exposure to hazardous substances with respect to our employees, discharge and disposal of chemicals 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 continue to become stringent. 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, 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. For instance, the National Green Tribunal, Pune had issued orders against the Company in relation to undertaking bio-remediation measures for decontamination of soil and ground water near our Sakarwadi Manufacturing Facility and payment of compensation to certain affected farmers. For details, see “*Outstanding Litigation and Material Development*” on page 286. There can be no assurance that any such violations may not occur in the future which could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. 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 cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, financial condition or results of operations.

35. *Our facilities are subject to client inspections and quality audits and any failure on our part to meet their expectations or to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and adversely affect our business, results of operations, financial condition and cash flows.*

Certain of our products and manufacturing processes are subject to stringent quality standards and specifications as prescribed by our customers in terms of the various contractual arrangements entered into with them. We believe that we undertake the necessary measures to ensure that our facilities comply with the applicable standards as imposed by our customers. The quality of our products depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, 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. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could also expose us to monetary liability and/or litigation.

Some of our key customers periodically audit our facilities. Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Such specifications and standards of quality is an important factor in the success and acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business and results of operations will be adversely affected. For details, see “*Our Business*” and “*Risk Factors - Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation*” on pages 147 and 45 respectively.

As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

36. *Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.*

We have received a number of quality assurance certifications and accreditations which have certified that our manufacturing, marketing and sales of certain of our chemical products are in compliance with globally accepted manufacturing practices and quality standards. For instance, our head office and the Sakarwadi Manufacturing Facility are certified for ISO 9001:2015 for quality management system, RC 14001:2015 for responsible care management systems and ISO 14001:2015 for environment management systems. We have obtained certification confirming compliance with the requirements of BONSUCRO in the “production of white refined sugar and molasses from sugarcane”. We have also been permitted by the United States Department of Agriculture to use the “USDA Certified Biobased Product” label for some of our products such as 1,3 butylene glycol and bio-based ethyl acetate. If we are unable to renew the ISO accreditations or other certifications, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material

adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

37. *There are certain outstanding legal proceedings involving our Company, Promoters and our Directors. Failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, results of ongoing operations and reputation.*

Our Company and certain of our Promoters and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals.

The summary of outstanding litigation in relation to our Company, our Subsidiaries, Promoters and Directors as on the date of this Draft Red Herring Prospectus as disclosed in the chapter “*Outstanding Litigation and Material Developments*” on page 286 have been provided below:

Types of Proceedings	Number of Cases	Amount (in ₹ million)*
<i>Litigation against our Company</i>		
Criminal proceedings	2	-
Actions by statutory or regulatory authorities	1	-
Direct and indirect tax proceedings	21	1,629.08
Total	24	1,629.08
<i>Litigation by our Company</i>		
Criminal proceedings	233	198.32
Other pending material litigation#	1	3,091.68
Total	234	3,290.00
<i>Litigation against our Directors</i>		
Criminal proceedings	1	-
Direct and indirect tax proceedings	1	0.26
Other pending material litigation#	1	-
Total	3	0.26
<i>Litigation against our Promoters</i>		
Criminal proceedings	1	-
Direct and indirect tax proceedings	1	0.26
Other pending material litigation#	1	-
Total	3	0.26

*To the extent quantifiable.

In accordance with the Materiality Policy.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, could have a material adverse impact on our business and reputation.

38. *Our Company was incorporated in 1956 and certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future.*

The secretarial records for certain past allotments of Equity Shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. These allotments include allotment of (i) 10 equity shares of ₹100 each on January 12, 1956; (ii) 1,990 equity shares of ₹100 each in 1956; and (iii) 3,000 equity shares of ₹100 each on December 11, 2002, for which the relevant forms were not traceable as well as the sub-division of the face value of the equity shares of our Company from ₹100 each to ₹10 each in 2006 for which the relevant board and shareholders resolutions were not traceable. Further, our Company has not been able to trace share transfer forms for certain share transfers involving our Promoters prior to 2013. These include transfer of (i) 60,000 Equity Shares from Somaiya Agencies Private Limited to The Godavari Sugar Mills Limited on February 10, 2011; and (ii) 10,000 Equity Shares from Somaiya Agencies Private Limited to K J Somaiya and Sons Private Limited on February 10, 2011.

While certain information in relation to the allotments and transfers have been disclosed in the sections “*Capital Structure*” beginning on page 78, in this Draft Red Herring Prospectus, based on annual reports of The Godavari Sugar Mills Limited and our Company, annual returns, board resolutions and other corporate records of our Company, as available and based upon the allotment details provided in the search report dated August 18, 2021 prepared by Veenit Pal & Associates, independent practicing company secretary, and certified by their certificate dated September 23, 2021, we may not be able to furnish any further information, other than what is already disclosed in “*Capital Structure*” beginning on page 78, or assure that the other

records will be available in the future. While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

39. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures with respect to any or all of our products could have a material adverse effect on our business, financial condition and results of operations.*

We currently compete, and in the future will continue to compete, with large multinational companies as well as cooperatives, regional and local companies. Our competitors primarily compete with us on pricing of products and procuring of raw materials. Some of our competitors may have larger business operations, access to greater financial resources and better technology. For example, if any of our competitors develops processes or technology which reduces production costs and consequently sells at lower prices than us, we may be required to lower the prices of our products to match our competitors and may result in an adverse impact on our business and results of operations. Any inability on our part to effectively compete in terms of pricing, provide competitive products or services or expand into new markets may adversely affect our business, financial condition and results of operations.

40. *Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, cash flows and results of operations.*

As of June 30, 2021, our Company had 1,517 permanent employees and 327 contractors, of which 1,129 employees are members of unions. We may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations. Our Company has three recognised labour unions with whom the Company has executed wage agreements. We have also entered into settlements with our trade unions with respect to *inter alia* the payment of bonus, ex-gratia, medical and other allowances and increments, fixing of proper grade and designation. If we are unable to renew these wage settlement agreements or other arrangements or negotiate favourable terms, we could experience a material adverse effect on our business, financial condition and results of operations.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. Further, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) The Code on Wages, 2019, (ii) The Industrial Relations Code, 2020, (iii) The Code on Social Security, 2020 and (iv) The Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. 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. While we consider our relationship with our employees to be good, we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Further, under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract laborers as our employees. Any such orders from a court or any other regulatory authority may adversely affect our results of operations.

Further, we have, in the past faced agitation from farmers from whom we procure sugarcane in relation to payments/price and consequent strikes causing stoppage or delays in our crushing operations. There can be no assurance that we will not experience any such disruption in the future. Work stoppages or slow-downs experienced due to labour unrest or strike could have an adverse effect on our business, results of operations and financial condition.

41. *If we are unable to protect our intellectual property and technical know-how against third party infringement or breaches of confidentiality or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.*

As on the date of this Draft Red Herring Prospectus, we owned 53 registered trademarks, obtained seven copyright registrations and patented 13 products/processes and received 41 registrations in relation thereto. We have also made applications for registration of certain trademarks, which are currently pending. Further, applications for registration of some of the trademarks, including our retail brand 'Jivana', have been opposed or objected. There can be no assurance that our applications for registration of these trademarks will be approved by the Trade Marks Registry in a timely manner, or at all. We believe that our success depends on our ability to protect our intellectual property, which includes certain patented processes. We may not be able to prevent competitors from developing, using or commercializing products that are functionally equivalent or similar to our products since a significant portion of our processes and products are not patented. We cannot guarantee that each application filed with respect to our brand names or any new products or innovations will be approved. We cannot assure you that patents issued to us in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all. Further, we may not always be able to safeguard our intellectual property from infringement or passing off and may not be able to respond to infringement or passing off activity occurring without our knowledge. We also rely on technical knowledge, product information, industry data, manufacturing expertise and market "know-how" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. In the event we are unable to adequately protect our confidential technical or proprietary information any advantage we may have over our competitors could be compromised.

We may face claims that we are infringing the intellectual property rights of third parties. If we are subject to any adverse rulings or decisions, our manufacture and sale of such products could be significantly restricted or prohibited and we may be required to pay substantial damages or on-going licensing fees. If we are unable to protect our intellectual property and technical know-how against third party infringement or breaches of confidentiality or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.

42. *We enter into collaborations with third parties in relation to certain research and development activities.*

We collaborate with various third parties in connection with our research and development activities. For instance, we have entered into a memorandum of understanding dated April 9, 2021 read with the addendum dated September 9, 2021 ("**MOU**"), with Dr. Sendurai Mani for providing consultancy services to SathGen Biotech ("**SathGen**"), an R&D division of the Company in connection with the development of small molecule inhibitors for cancer ("**Cancer Molecule Inhibitors**"). The agreement provides that in the event of the commercialization of Cancer Molecule Inhibitors, SathGen will be spun off and incorporated as a separate legal entity ("**Entity**") and our Company will be required to issue and allot 12% of the equity share capital of the Entity to Dr. Sendurai, subject to modification in case of any dilution pursuant to infusion of fund by Company and/or investors. However, if the Cancer Molecule Inhibitors are monetized by our Company otherwise than by incorporation of the Entity, Dr. Sendurai shall be entitled to 12% of the net profits from the commercialisation of the Cancer Molecule Inhibitors. For more details, see "*History and Certain Corporate Matters*" on page 175. Further, we have obtained approval in March 2021 for undertaking clinical trials in relation to a proposed drug for a period of two years. However, the development of the Cancer Molecule Inhibitors may be delayed by unsuccessful clinical trials that produce negative or inconclusive results or demonstrate unacceptable health risks, or if we are unable to obtain sufficient funding or the cost of such trials is higher than anticipated, or the supply or quality of the materials necessary to conduct the trials is inadequate. Further, the Cancer Molecule Inhibitors, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such product.

43. *Any failure of or disruption in our information technology systems including a disruption related to cybersecurity or non-compliance with data protection, privacy or information security laws could adversely affect our business and our operations.*

We rely on the capacity, reliability and security of our IT systems and infrastructure in our operations. These include procurement, production, distribution, billing, reporting and consolidation software. For details, please see "*Our Business – Information Technology*" on page 164. IT systems are vulnerable to disruptions,

including those resulting from natural disasters, cyber-attacks or failures in third-party provided services. Cybersecurity risks can include breaches of confidentiality, loss of integrity and/or availability of the data and/or transactions processed by the information systems (system malfunction, data theft, data destruction and loss of data integrity). We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. Some cyber-attacks depend on human error or manipulation, including phishing attacks or schemes that use social engineering to gain access to systems or carry out disbursement of funds or other frauds, which raise the risks from such events and the costs associated with protecting against such attacks. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of data of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation. Further, we may be subject to laws and regulations governing data privacy and protection, including General Data Protection Regulation (EU) 2016/679. The data protection laws continue to develop and may vary from jurisdiction to jurisdiction, compliance of which may increase costs on our business.

44. *We rely on our distribution network for sale of various products. A failure to maintain or significant disruptions to our distribution network may have an adverse impact on our business, financial condition and results of operations.*

We rely on our relationships with third-party distribution partners for the sale of some of our products. We may not be able to effectively manage our existing distribution network as we do not have any long-term contracts with any of our distribution partners. Further, if our competitors provide more favourable terms to our distributors, such distributors may be persuaded to decline distribution of our products or promote products of our competitors instead and we may be unable to appoint suitable replacement distribution partners in a timely manner.

Our competitors may adopt innovative distribution models which are more effective than traditional distribution models, resulting in a reduction in the sales of our products. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by our distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. In addition, any failure to provide distribution partners with sufficient inventories of our products may lead to an adverse impact on the sales of our products. If we are unable to effectively manage and grow our distribution network, our business, financial condition and results of operations may be adversely affected.

45. *We have contingent liabilities and capital commitments which have not been provided for in our balance sheet.*

As of March 31, 2021, we had certain contingent liabilities in accordance with Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets” as provided below that had not been provided for:

Particulars	As at March 31, 2021
	(in ₹ million)
Excise duty and service tax (excluding interest and penalty)	79.10
Bank guarantee	196.34
Letter of credit	316.27
Corporate guarantee to Karnataka Bank	76.31

For details, see “*Restated Consolidated Financial Statements- 32. Commitments and Contingencies*” on page 251.

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it may adversely affect our results of operations.

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

We have, in the past, entered into certain transactions with related parties and may continue to do so in the future. These transactions principally include remuneration to executive Directors and Key Managerial Personnel and consideration paid to certain members of the Promoter Group in relation to purchase of goods,

use of property on leave and license basis, payment of royalty for use of trademark, amongst others. For further details, see “*Restated Consolidated Financial Statements – 34 - Related Party Transactions*” on page 253. While we believe that all such transactions have been conducted on an arms-length basis, we cannot assure you that we would not have achieved more favourable commercial terms had such transactions not been entered into with related parties. Further, we may enter into related party transactions in the future. For instance, we intend to purchase certain lands from Somaiya Properties and Investments Private Limited (a Group Company and member of our Promoter Group), Somaiya Chemical Industries Private Limited (a Group Company and member of our Promoter Group) and Sakarwadi Trading Company Private Limited (a member of our Promoter Group). Such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

47. *We do not own our Registered and Corporate Office. Any termination or failure by us to renew the lease agreements in a favourable and timely manner, or at all, could adversely affect our business and results of operations.*

Our Registered and Corporate Office is located on premises leased from Filmedia Communication Systems Private Limited, a member of the Promoter Group under a leave and license agreement for a term of 12 months until March 31, 2022. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our Registered and Corporate Office, we may suffer a disruption in our operations which could adversely impact our results of operations.

48. *Certain Subsidiaries have incurred losses during the last three Fiscals.*

One of our Subsidiaries, Cayuga Investments B.V. has incurred net losses after tax of ₹ 0.50 million, ₹ 0.91 million and ₹ 2.23 million in Fiscal 2021, 2020 and 2019, respectively. We cannot assure you that Cayuga Investments B.V. will be able to achieve and maintain profitability in the future. Such losses over extended periods could have an adverse impact on our profitability on a consolidated basis.

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

As of the date of this Draft Red Herring Prospectus, our Promoters and the other members of our Promoter Group cumulatively hold 81.06% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Offer, our Promoters and the members of the Promoter Group will collectively continue to exercise control over us, which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters as our controlling shareholders may conflict with your interests and the interests of our other shareholders. Further, upon listing of the Equity Shares on recognized stock exchanges, pursuant to the Articles of Association, our individual Promoter, Samir Shantilal Somaiya shall have a right to nominate one Director to the Board, as long as the Somaiya Group (as defined in the Articles) holds at least 25% of issued and paid-up equity share capital of our Company. Such nomination right shall be subject to ratification by the shareholders of the Company by way of a special resolution post the listing of the Equity Shares on recognised stock exchanges. For further details, see “*History and Certain Corporate Matters*” and “*Main Provisions of the Articles of Association*” on pages 175 and 331 respectively. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. *Certain Promoters, Directors and Key Managerial Personnel are interested in the Company’s performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Promoters, Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares, profit-based commission and their rights to nominate directors on our Board pursuant to such shareholding, amongst others. We cannot assure you that our Promoters, Directors and our Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters or Directors or Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*”, “*Our*

Promoters and Promoter Group” and “*Restated Consolidated Financial Statements*” on pages 187, 206 and 215, respectively.

51. *Certain sections of this Draft Red Herring Prospectus disclose information from industry reports commissioned and paid for by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, Frost & Sullivan Report (“**Industry Report**”) or extracts of the Industry Report. We have commissioned and paid for the Industry Report for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. The Industry Report 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. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, 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 Industry Report before making any investment decision regarding the Offer. See “*Industry Overview*” on page 103.

52. *Our Company’s ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company’s earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We have adopted a dividend distribution policy which lays down the principles for distribution of dividend by our Company to our shareholders and sets out inter alia the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to shareholders and the circumstances under which shareholders may or may not expect dividend. For details, see “*Dividend Policy*” on page 214.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of any gain on Shareholders’ investments may depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

53. *If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operations.*

Our business requires significant working capital including to finance the purchase of raw materials and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays, cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. These factors may result in increases in the amount of our trade receivables and/or write-offs of trade receivables, and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

Our sources of additional financing, where required to meet our working capital needs, have historically been from cash credit, term loans and working capital facilities. As on March 31, 2021, we had sanctioned working capital facilities amounting to ₹ 4,342.00 million (including fund based and non-fund based facilities). If we decide to raise additional funds through debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. Further, any issuance of equity would result

in a dilution of the shareholding of existing shareholders and our earnings per Equity Share which could adversely impact our Equity Share price.

Our ability to obtain additional financing on favorable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we will be able to renew existing funding arrangements or obtain additional financing on acceptable terms, in a timely manner or at all, to meet our working capital needs. Our inability to do so may adversely affect our expansion plans, business, financial condition and results of operations.

54. Any downward revision of our credit ratings could result in an increase in the interest rates we would pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business.

The cost and availability of capital, among other factors, depends on our credit rating. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Set forth below is the instrument-wise credit ratings assigned to our debt facilities by CARE Ratings Limited on August 19, 2021.

Instrument	Rating
Long term bank facilities	BBB/Stable
Short term bank facilities	A3+
Fixed deposits	BBB (FD)/Stable

Any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

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

We have currently availed certain unsecured borrowings which may be recalled by the relevant lender at any time, during the tenor of the loan with or without the existence of an event of default. As on March 31, 2021, our unsecured borrowings aggregated ₹ 726.98 million, which represented 12.90% of our total fund based borrowings on a consolidated basis. For further details in relation to our indebtedness, please see the section titled “Financial Indebtedness” on page 283.

Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities. If we are unable to procure alternate financing, we may not have adequate funds to undertake new initiatives or complete our ongoing strategies, which may adversely affect our business, cash flows, financial condition and results of operations.

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

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled “Objects of the Offer” on page 89.

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 utilisation 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 utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, 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 utilisation 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 the 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 unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

- 57. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency are based on management estimates and may be subject to change based on various factors, some of which beyond our control. Any changes in the estimated funding requirements could affect our business and results of operations.***

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” beginning on page 89 of this Draft Red Herring Prospectus. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by the Monitoring Agency. 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 the continuing impact of the COVID-19 pandemic, interest or exchange rate fluctuations, changes in input costs, labour costs, logistics and transport costs, incremental preoperative expenses, taxes and duties, regulatory costs, inability to identify suitable location for our manufacturing facilities at favourable terms 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 the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

- 58. *The proceeds from the Offer for Sale component of the Offer shall be received directly by the Selling Shareholders.***

The Offer comprises of an Offer for Sale of up to 6,558,278 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds directly.

- 59. *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, net worth, return on net worth, net asset value per Equity Share, debt equity ratio and debt-to-EBITDA ratio have been included in this Draft Red Herring Prospectus. These non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered 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, IFRS, or US GAAP. These non-GAAP financial 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 may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

External risk factors

Risks relating to the Offer and investments in our Equity Shares

60. *After the Offer, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.*

There has been no public market for the Equity Shares prior to the Offer and an active trading market for the Equity Shares may not develop or be sustained after the Offer. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the Offer.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

The trading price of our Equity Shares might also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business, financial condition or operating results.

61. *Any future issuance of our Equity Shares may dilute prospective investors' shareholding, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares.*

Upon completion of the Offer, our Promoters and Promoter Group will beneficially own [●] Equity Shares, which will represent approximately [●]% of our outstanding Equity Share capital. Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India. Until March 31, 2018, any gain realized on the sale of equity shares, listed on a stock exchange and held for more than 12 months was not subject to capital gains tax in India if STT was paid on the transaction. However, with the enactment of the Finance Act, 2018 the exemption previously granted in respect of payment of long-term capital gains tax has been withdrawn and such taxes are now payable by the investors with effect from April 1, 2018. The Finance Act, 2018 provides that existing investors are eligible for relief on such capital gains accrued until January 31, 2018 and any long-term capital gains made after January 31, 2018 shall be subject to taxation.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

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

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

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

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

64. *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.*

Pursuant to the SEBI ICDR Regulations, 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. RIIs can revise or withdraw their Bids during the Bid/ Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' 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 operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

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

66. *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 which are currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into a 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, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and

corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 330. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

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

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, which are beyond our control. As a result of these factors, there can be no assurance that the investors may not be able to resell their Equity Shares at or above the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance.

Risks relating to India

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

The Indian market and economy are influenced by market and economic conditions in other countries, including conditions in the U.S.A, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global impact 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.

Furthermore, economic developments globally can have a significant impact on the Indian market. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and a strained relationship with India could have an adverse impact on trade relations between the two countries. Sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the U.S.A and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

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

69. *Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.*

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are

outside our Company's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

70. *Any volatility in exchange rates may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.*

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The widening current account deficit has been attributed largely to the surge in gold and oil imports.

The Indian Rupee also faces challenges due to the volatile swings in capital flows. Further, there remains a possibility of intervention in the foreign exchange market to control volatility of the exchange rate. The need to intervene may result in a decline in India's foreign exchange reserves and subsequently reduce the amount of liquidity in the domestic financial system. This in turn could cause domestic interest rates to rise. Further, increased volatility in foreign flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against any abnormal currency depreciation. Excessive volatility in foreign exchange rates or increase in interest rates could increase our costs and adversely impact our business, cash flows, financial condition and results of operations.

71. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market where our Equity Shares trade and lead to a loss of confidence.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares are proposed to be listed and traded. In addition, any deterioration in relations between India and its neighbours might result in investor concern about stability in the region, which could materially adversely affect the price of our Equity Shares.

Civil unrest in India in the future as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on our business and the trading price of our Equity Shares.

72. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.*

Our Company is incorporated under the laws of India and most of our Directors and key managerial personnel reside in India. Further, certain of our assets, and the assets of our key managerial personnel and Directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and Directors or to enforce judgments obtained in courts outside India against us or our key managerial personnel and Directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes 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 of the Code of Civil Procedure, 1908 ("**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, 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 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 enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Further, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of

damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

73. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and manufacturing activities in India. Our Equity Shares are proposed to be listed and traded on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by the following external risks, should any of them materialize:

- changes in exchange rates and controls;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- downgrading of India's sovereign debt rating by rating agencies;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects.

India has in the past experienced community disturbances, strikes, riots, terror attacks, epidemics and natural disasters. India has also experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. There can be no assurance that we will not be affected by natural or man-made disasters in India or elsewhere in the future. These acts and occurrences could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

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

75. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and may consider material to their assessment of our financial condition.*

The restated financial statements for Fiscal 2021, Fiscal 2020 and Fiscal 2019 are prepared in accordance with Ind AS and the SEBI ICDR Regulations. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 268. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Restated Consolidated 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.

SECTION IV – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares ^{(1)^}	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
Fresh Issue ^{(1) ^}	Up to [●] Equity Shares, aggregating up to ₹ 3,700 million
Offer for Sale ⁽²⁾	Up to 6,558,278 Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion ⁽⁵⁾	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	41,943,023 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “ <i>Objects of the Offer</i> ” on page 89. Our Company will not receive any proceeds from the Offer for Sale.

[^]Our Company, in consultation with the BRLMs and the Selling Shareholders, may consider a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and Selling Shareholders, and the Pre-IPO Placement will be completed 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.

- (1) The Offer has been authorized by a resolution of our Board dated June 5, 2021, and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated July 5, 2021.
- (2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” beginning on page 295
- (3) Our Company may, in consultation with the BRLMs and the Selling Shareholders, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds,

subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Offer Procedure” beginning on page 313.

- (4) In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment shall first be made towards 90% of the Fresh Issue. However, after receipt of minimum subscription of 90% of the Fresh Issue, Allotment shall be made in the following order: (i) First towards the entire portion of the Equity Shares offered by the Investor Selling Shareholder; (ii) Secondly towards the entire portion of the Equity Shares offered by the Promoter Selling Shareholders; (iii) Thirdly towards the entire portion of the Equity Shares offered by the Promoter Group Selling Shareholders; and (iv) Fourthly towards the remaining Equity Shares in the Fresh Issue.*
- (5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 313.*

For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on page 310 and 313, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 304.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Statements. The Restated Consolidated Financial Statements have been prepared in accordance with Ind AS for the Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations and are presented in the section “Restated Consolidated Financial Statements” on page 215.

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Restated Consolidated Statement of Assets and Liabilities
(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	7,071.79	7,342.17	6,942.48
(b) Capital Work-in-Progress	86.53	166.87	673.99
(c) Right-of-use	4.37	4.50	4.61
(d) Intangible Assets	2.03	2.89	3.70
(e) Investments accounted for using the equity method	0.47	0.47	0.47
(f) Financial Assets			
(i) Investments	0.00	0.00	0.00
(ii) Trade Receivables	17.08	12.31	34.34
(iii) Other Financial Assets	37.25	41.39	37.47
(g) Deferred Tax Asset (Net)	-	156.64	148.48
(h) Other Non-Current Assets	170.39	173.39	110.84
	7,389.91	7,900.63	7,956.38
Current assets			
(a) Inventories	4,236.56	3,828.35	5,693.31
(b) Financial Assets			
(i) Trade Receivables	1,691.55	1,257.04	1,435.65
(ii) Cash and Cash Equivalents	78.97	57.73	52.49
(iii) Bank Balances Other than (ii) above	417.67	382.82	345.83
(iv) Other Financial Assets	327.73	633.78	421.78
(c) Other Current Assets	274.58	284.51	512.03
	7,027.07	6,444.23	8,461.09
Total Assets	14,416.98	14,344.86	16,417.47
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	419.43	419.43	383.76
(b) Other Equity	4,119.79	3,851.89	3,204.58
	4,539.22	4,271.32	3,588.34
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3,324.89	1,231.83	1,351.26
(ii) Lease Liabilities	3.03	2.93	3.15
(iii) Other Financial Liabilities	0.72	0.72	0.72
(b) Provisions	16.94	15.46	14.30
(c) Deferred Tax liabilities (Net)	7.90	-	-
(c) Other Non-Current Liabilities	26.18	114.00	57.80
	3,379.66	1,364.94	1,427.23
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,688.03	4,446.98	6,434.34
(ii) Lease Liabilities	1.83	1.98	1.72
(iii) Trade Payables			
Micro, Small and Medium Enterprises	48.66	23.13	18.62
Others	3,763.83	3,582.44	4,271.90
(iv) Other Financial Liabilities	883.93	510.95	564.85
(b) Other Current Liabilities	74.55	100.01	63.07
(c)Provisions	37.27	43.11	46.01
(d) Current Tax Liabilities (Net)	-	-	1.38
	6,498.10	8,708.60	11,401.90

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Liabilities	14,416.98	14,344.86	16,417.47

Restated Consolidated Statement of Profit and Loss
(₹ in million, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
REVENUE			
Revenue from operations (net)	15,381.73	14,591.49	15,522.29
Other income	82.11	136.47	140.98
Total Revenue (I)	15,463.84	14,727.96	15,663.28
EXPENSES			
Cost of materials consumed	10,834.25	8,800.49	10,507.87
Purchases of stock-in-trade	115.05	96.27	126.97
Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	(376.94)	1,821.58	602.71
Employee benefits expense	854.91	842.82	813.97
Finance costs	723.76	687.35	898.99
Depreciation and amortization expense	471.30	449.49	498.93
Other expenses	2,378.27	1,997.05	2,150.16
Total Expenses (II)	15,000.60	14,695.05	15,599.60
Profit/ (Loss) before tax	463.24	32.91	63.67
Tax expense:			
Current tax	3.34	1.04	1.39
Adjustment of tax relating to earlier periods	21.68	-	
Deferred tax	166.67	(8.75)	6.95
Profit/(loss) for the period	271.55	40.63	55.33
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans	(6.84)	1.92	(4.94)
Income tax effect	2.13	(0.60)	1.54
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences in translating the financial statements of a foreign operation	1.06	(1.05)	(3.59)
Income tax effect	-	-	-
Other Comprehensive income for the year, net of tax	(3.65)	0.27	(6.98)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	267.89	40.90	48.35

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Earnings per share for profit attributable to equity shareholders			
Basic EPS and Diluted EPS	6.47	1.00	1.46

Restated Consolidated Statement of Cash flows
(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit / (Loss) before income tax:	463.24	32.91	63.67
Adjustments for:			
Depreciation and amortisation expense	471.30	449.49	498.93
(Profit) / Loss on Sale of Property, Plant and Equipment	(11.81)	(38.65)	(34.46)
Sundry Debit/Credit Balances Written Off/Back (Net)	5.23	(36.47)	(8.81)
Loss Allowance on receivables	11.47	5.00	2.70
Loss Allowance on advances	77.99	-	-
Write-down of inventories (stores)			2.00
Interest income classified as investing cash flows	(32.76)	(38.20)	(36.80)
Interest and finance charges	723.76	687.35	898.99
Impairment loss on PPE	-	0.94	-
Government grant income	(1.95)	(2.29)	(2.33)
Fair value gain on financial instruments at fair value through profit and loss	(3.73)	-	-
Unrealised foreign currency (gain)/loss	1.06	(1.11)	(35.30)
Change in operating assets and liabilities:			
Trade payables	206.92	(687.56)	1,420.17
Other liabilities	261.63	152.71	(154.69)
Provisions	(9.08)	(0.42)	3.39
Trade receivables	(455.98)	195.70	(67.66)
Inventories	(408.22)	1,863.97	568.75
Other assets	219.72	(44.25)	(254.39)
Other bank balance	(34.85)	(36.99)	-
Cash generated from operations	1,483.96	2,502.14	2,864.14
Less: Income taxes (paid) refund received	3.30	(6.44)	(6.60)
Net cash inflow from operating activities	1,487.26	2,495.69	2,870.75
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment (net)	(123.41)	(264.73)	(686.78)
Proceed from sale of property, plant and equipment	15.31	-	103.13
Interest received	33.19	38.71	37.90
Net cash outflow from investing activities	(74.91)	(226.02)	(545.75)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from /(Repayment of) non current borrowings	(607.44)	(2,106.79)	(1,510.52)
Repayment of Lease Liabilities	(1.46)	(1.19)	(0.73)
Issue of share capital including share premium (net)	-	642.08	166.11
Interest and finance charges paid	(782.20)	(798.54)	(967.32)
Net cash inflow (outflow) from financing activities	(1,391.11)	(2,264.44)	(2,312.46)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Net increase (decrease) in cash and cash equivalents	21.24	5.24	12.54
Cash and Cash Equivalents at the beginning of the financial year	57.73	52.49	39.95
Cash and Cash Equivalents at end of the year	78.97	57.73	52.49
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following:			
Balances with banks:			
- On current accounts	67.91	48.80	48.09
- Deposits with original maturity of less than three months	10.09	5.21	3.47
Cash on hand	0.97	3.72	0.94
Balances per statement of cash flows	78.97	57.73	52.49

GENERAL INFORMATION

Our Company was originally incorporated as Godavari Investment and Finance Corporation Limited in Mumbai, Maharashtra as a public limited company under the Indian Companies Act, 1913, pursuant to a certificate of incorporation dated January 12, 1956, issued by the Registrar of Companies, Bombay. Subsequently, the name of our Company was changed to Godavari Biorefineries Limited and a fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra at Mumbai on November 10, 2006. The sugar, power, chemical and distillery business of The Godavari Sugar Mills Limited was demerged into our Company on April 21, 2009 with effect from April 1, 2008. The name of The Godavari Sugar Mills Limited was subsequently changed to Somaiya Properties and Investments Private Limited.

Registered and Corporate Office of our Company

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

Godavari Biorefineries Limited

Somaiya Bhavan
45/47, M. G. Road, Fort
Mumbai – 400 001
Maharashtra, India
Telephone: +91 22 6170 2100
Website: www.godavaribiorefineries.com

For details of the changes in our Registered and Corporate Office, see “*History and Certain Corporate Matters-Change in the Registered and Corporate Office*” at page 175.

Company registration number and corporate identity number

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

Company registration number: 009707
Corporate identity number: U67120MH1956PLC009707

Address of the Registrar of Companies

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

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

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”, and has also been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed in accordance with Section 26 of the Companies Act, 2013 would be filed with the RoC at its office.

Board of Directors

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

Name and designation on the Board	DIN	Address
Samir Shantilal Somaiya <i>Chairman and Managing Director</i>	00295458	Padmanabh, 10, M. L. Dahanukar Marg, Mumbai - 400 026, Maharashtra, India
Sangeeta Arunkumar Srivastava <i>Executive Director</i>	00480462	901, Ganesh Smruti, 9th Cross Lane, Next to Akshay Anand Sandu Wadi, Chembur, Mumbai – 4000 071, Maharashtra, India
Bhalachandra Bakshi <i>Executive Director</i>	03538688	H. No. 368, Near Datta Temple, Mudhol, Bagalkot- 587 313, Karnataka, India
Suhas Uttam Godage <i>Additional Executive Director (Works-Sakarwadi)</i>	09227610	Saiprasad Nivas, Ramakrishna Nagar, Behind Gazal Hotel, Shrirampur, Ahmadnagar – 413 709, Maharashtra, India
Hemant Luthra <i>Independent Director</i>	00231420	D-10, Sea Face Park, 50, Bhulabhai Desai Road, Mumbai - 400 026, Maharashtra, India
Kailash Pershad <i>Independent Director</i>	00503603	Plot No. 84, Road No. 9, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India
Preeti Singh Rawat <i>Non- Executive Director</i>	07154417	A/901, Sainath Heights, Neelam Nagar Phase II, Mulund East, Mumbai – 400 081, Maharashtra, India
Lakshmi Kantam Mannepalli <i>Independent Director</i>	07831607	Flat No.1002, Gunvant John Kappor Faculty House, Institute of Chemical Technology, Nathalal Parekh Marg, Matunga, Mumbai – 400 019, Maharashtra, India
Sanjay Puri <i>Independent Director</i>	08789423	1177, 22ND ST NW Unit #8E, Washington DC - 20037, United States
Nitin Mehta <i>Independent Director</i>	09174633	4B Sapara Williams Close House 3B, Victoria-Island Lagos – 101241, Nigeria

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

Company Secretary and Compliance Officer

Swarna Gunware is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Swarna Gunware

Somaiya Bhavan
45/47, M. G. Road, Fort
Mumbai – 400 001
Maharashtra, India
Telephone: +91 22 6170 2165
E-mail: investors@somaiya.com

Investor Grievances

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

All 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, 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 RIIs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. 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, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue lead manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

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 relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

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

Book Running Lead Managers

Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex,

N M Joshi Marg, Lower Parel,

Mumbai – 400 013

Maharashtra, India

Telephone no.: +91 22 4332 0700

E-mail: godavari.ipo@equirus.com

Investor grievance email: investorsgrievance@equirus.com

Website: www.equirus.com

Contact person: Ankesh Jain/ Mrinmayee Dethe

SEBI Registration Number: INM000011286

JM Financial Limited

7th Floor, Cnergy

Appasaheb Marathe Marg

Prabhadevi

Mumbai - 400 025

Maharashtra, India

Telephone no.: +91 22 6630 3030

Email: godavari.ipo@jmfl.com

Investor Grievance email: grievance.ibd@jmfl.com

Website: www.jmfl.com

Contact person: Prachee Dhuri

SEBI Registration Number: INM000010361

Syndicate Members

[•]

Statement of *inter-se* allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated	Equirus, JM Financial	Equirus

Sr. No.	Activity	Responsibility	Co-ordinator
	requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.		
2.	Drafting and approval of all statutory advertisements	Equirus, JM Financial	Equirus
3.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	Equirus, JM Financial	Equirus
4.	Appointment of all other intermediaries and including co-ordination for all other agreements	Equirus, JM Financial	JM Financial
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure and filing of media compliance report.	Equirus, JM Financial	JM Financial
6.	International Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; • Finalizing international road show and investor meeting schedule 	Equirus, JM Financial	JM Financial
7.	Domestic Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Preparation of road show marketing presentation and frequently asked questions; • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule 	Equirus, JM Financial	Equirus
8.	Non-Institutional marketing of the Offer and retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Formulating marketing strategies; • preparation of publicity budget, finalizing media and public relations strategy. • Finalizing centres for holding conferences for brokers • Finalizing collection centres; • Arranging for selection of underwriters and underwriting agreement and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material. 	Equirus, JM Financial	JM Financial
9.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	Equirus, JM Financial	Equirus
10.	Coordination with Stock Exchanges for Book Building Process, filing of letters including software, bidding terminals, mock trading, payment of 1% security deposit to the Designated Stock Exchange and Anchor Investor intimation	Equirus, JM Financial	JM Financial
11.	Post-Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. 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	Equirus, JM Financial	JM Financial

Legal counsel to the Offer as to Indian law

Khaitan & Co

10th & 13th Floors, Tower 1C
One World Centre
841, Senapati Bapat Marg
Mumbai – 400 013

Maharashtra, India
Telephone: +91 22 6636 5000

Legal Counsel to the Investor Selling Shareholder as to Indian law

DSK Legal, Advocates & Solicitors
1203-BA, One World Centre, Tower 2B
Floor 12B, 841, Senapati Bapat Marg
Elphinstone Road
Mumbai – 400 013
Maharashtra India
Telephone: +91 22 6658 8000

Legal Counsel to the Promoter Selling Shareholders and the Promoter Group Selling Shareholders as to Indian law

Economic Laws Practice, Advocates & Solicitors
9th Floor, Mafatlal Center, Vidhan Bhavan Marg
Nariman Point
Mumbai – 400 021
Maharashtra, India
Telephone: +91 22 6636 7000

Registrar to the Offer

Link Intime India Private Limited
C101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083
Maharashtra, India
Telephone: +91 22 4918 6200
Email: godavari.ipo@linkintime.co.in
Investor grievance email: godavari.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs eligible as Issuer Banks for UPI Mechanism

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

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> respectively), as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) 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 <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=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 <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Statutory Auditor to our Company

Verma Mehta & Associates

104, Creative Industries Premises, Sunder Nagar
Kalina, Santacruz East
Mumbai – 400 098
Maharashtra, India
E-mail: vmaca92@gmail.com
Telephone: +91 2666 6359
Firm registration number: 112118W
Peer review no.: 011140

Changes in Auditors

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

Bankers to our Company

Bank of India

Bank of India, Mumbai Large Corporate Branch
Bank of India Bhavan, 4th Floor
70-80 MG Road, Fort

Mumbai – 400 001
Maharashtra, India
Telephone: +91 022 6187 0400/0402
Contact Person: Deepak Gupta
Email: Mumbai.LCBB@bankofindia.co.in

Bank of Baroda

3rd Floor, 10/12 Mumbai Samachar Marg
Fort, Mumbai - 400 001
Maharashtra, India
Telephone: +91 22 4340 7315
Contact Person: Rajesh Kr. Arora
Email: cfsbal@bankofbaroda.co.in

Union Bank of India

Union Bank of India, Industrial Finance Branch
1st Floor, Union Bank Bhavan, 239 Vidhan Bhavan Marg
Nariman Point, Mumbai- 400 021, Maharashtra, India
Telephone: +91 022-22892030/2155/2154
Contact Person: Vyanktesh Mundhe
Email: cbsifbmumbai@unionbankofindia.com

SVC Co-operative Bank Ltd.

CTS No. 150/A, Market Fort
Opposite Regal Talkies
Dharwad – 580 001
Karnataka, India
Telephone: +91 0836 2447 373/2747 370
Contact Person: Girish Somayaji K
Email: dharwadou@svcbank.com

IndusInd Bank Limited

11th Floor, Tower 1
One Indiabulls Centre
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India
Telephone: +91 22 7143 2256
Contact Person: Vikash Ranjan
Email: Vikash.ranjan@indusind.com

IPO Grading

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

Appraising Entity

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

Monitoring Agency

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Net Proceeds. For details in relation to the proposed utilisation of the Net Proceeds, please see the section entitled “*Objects of the Offer*” on page 89.

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

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

Our Company has received written consent dated September 24, 2021 from Verma Mehta & Associates, Chartered Accountants to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated September 8, 2021 on our Restated Consolidated Financial Statements; and (ii) the statement of special tax benefits available to the Company and its shareholders dated September 24, 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Anupam Kumar Shukla, Chartered Engineers to include their name in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) and 26(5) of the Companies Act in their capacity as the independent chartered engineer and in respect of the certificate dated September 20, 2021 issued by them in connection with the expansion of the sugarcane crushing capacity and the establishment of the potash unit at the Sameerwadi Manufacturing Facility and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Price Band and Minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders, and if not disclosed in the Red Herring Prospectus, will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a Hindi national daily newspaper) and [●] editions of [●] (a widely circulated 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, in consultation with the BRLMs and the Selling Shareholders, subject to Investor Selling Shareholder approval, if required, under the terms of the SHA after the Bid/Offer Closing Date.

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors 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 Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” beginning on pages 304 and 313, respectively.

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

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

to submitting a Bid in the Offer.

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

For further details on the method and procedure for Bidding, see “*Offer Procedure*” beginning on page 313.

Underwriting Agreement

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 intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

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

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

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

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

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

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate nominal value	Aggregate value at Offer Price*
A	AUTHORIZED SHARE CAPITAL		
	82,000,000 Equity Shares of face value of ₹10 each	820,000,000	
	1,800,000 Preference Shares of face value of ₹100 each	180,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	41,943,023 Equity Shares of face value of ₹10 each	419,430,230	-
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer of up to [●] Equity Shares aggregating up to ₹ [●] million ⁽¹⁾⁽²⁾	[●]	[●]
	<i>of which</i>		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,700 million ⁽¹⁾	[●]	[●]
	Offer for Sale of up to 6,558,278 Equity Shares aggregating up to ₹ [●] million ⁽²⁾	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*		
	[●] Equity Shares of face value of ₹10 each	[●]	-
E	SECURITIES PREMIUM RESERVE		
	Before the Offer		₹2,626.09 million
	After the Offer		[●]

* To be updated upon finalization of the Offer Price.

- (1) The Offer has been authorized by a resolution of our Board dated June 5, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated July 5, 2021.
- (2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 295.

Changes in the authorised share capital of our Company

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

Notes to the Capital Structure

1. Equity Share Capital history of our Company

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

Date/period of Allotment	No. of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares
January 12, 1956*	10	100	100	Allotment as initial subscribers to the MOA ⁽¹⁾	Cash ^{\$}	10
1956*	1,990	100	100	Further issue ⁽²⁾	Cash ^{\$}	2,000
December 11, 2002*	3,000	100	100	Rights Issue ⁽³⁾	Cash	5000
In the year 2006, 5,000 Equity Shares of face value ₹100 each were split into 50,000 Equity Shares having face value of ₹10 each*						
April 24, 2009	27,482,500	10	-	Allotment pursuant to the scheme of arrangement	Other than cash	27,532,500

Date/period of Allotment	No. of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of equity shares
				between The Godavari Sugar Mills Limited and our Company ⁽⁴⁾		
November 20, 2009	1,954,350	10	200	Preferential allotment ⁽⁵⁾	Cash	29,486,850
February 16, 2010	550,000	10	200	Preferential allotment ⁽⁶⁾	Cash	30,036,850
March 30, 2010	565,250	10	200	Preferential allotment ⁽⁷⁾	Cash	30,602,100
March 30, 2015	4,765,033	10	188.88	Preferential allotment ⁽⁸⁾	Cash	35,367,133
March 30, 2015	370,614	10	188.88	Conversion of 9% optionally convertible cumulative preference shares of ₹100 each into Equity Shares ⁽⁹⁾	Cash	35,737,747
October 14, 2016	763,150	10	190	Preferential allotment ⁽¹⁰⁾	Cash	36,500,897
November 25, 2016	161,950	10	190	Preferential allotment ⁽¹¹⁾	Cash	36,662,847
December 29, 2016	289,500	10	190	Preferential allotment ⁽¹²⁾	Cash	36,952,347
March 31, 2018	685,286	10	225	Rights issue ⁽¹³⁾	Cash	37,637,633
September 26, 2018	693,000	10	225	Rights issue ⁽¹⁴⁾	Cash	38,330,633
February 15, 2019	45,275	10	225	Rights issue ⁽¹⁵⁾	Cash	38,375,908
July 29, 2019	2,402,303	10	180	Rights issue ⁽¹⁶⁾	Cash	40,778,211
August 30, 2019	1,152,769	10	180	Rights issue ⁽¹⁷⁾	Cash	41,930,980
September 27, 2019	12,043	10	180	Rights issue ⁽¹⁸⁾	Cash	41,943,023

*The secretarial records for certain past allotments of Equity Shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. These allotments include allotment of (a) 10 equity shares of ₹100 each on January 12, 1956; (b) 1,990 equity shares of ₹100 each in 1956; (c) 3,000 equity shares of ₹100 each on December 11, 2002, for which the relevant forms were not traceable and the sub-division of the face value of the equity shares of our Company from ₹100 each to ₹10 each in 2006 for which the relevant board and shareholders resolutions were not traceable. Accordingly, we have relied on the certificate dated September 23, 2021 and search report dated August 18, 2021, prepared by Veenit Pal & Associates, Company Secretaries, independent practicing company secretary ("RoC Search Report") and relevant annual returns of our Company, annual reports of The Godavari Sugar Mills and our Company and minutes of the Board of our Company, as applicable. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors –Our Company was incorporated in 1956 and certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future." on page 46.

(1) Subscription to 5 equity shares each by Ranchoddas Shamji Kotak Merchant and Shantilal Karamshi Somaiya Merchant.

(2) 1,990 equity shares allotted to The Godavari Sugar Mills Limited.

(3) Rights Issue of 3,000 equity shares to existing shareholder of our Company at the time, The Godavari Sugar Mills Limited.

(4) Pursuant to the scheme of arrangement between The Godavari Sugar Mills Limited and our Company (the "Godavari Mills Scheme"). The 27,482,500 Equity Shares were allotted to 42 shareholders of The Godavari Sugar Mills Limited in the ratio of one Equity Share of our Company for every one equity share of face value of ₹ 10 each held by them in The Godavari Sugar Mills Limited.

(5) 1,841,850 Equity Shares allotted to Sameerwadi Sugarcane Farmers' Welfare Trust** and 112,500 Equity Shares allotted to Ankit Raj Organo Chemicals Limited.

(6) 115,000 Equity Shares allotted to Lakshmiwadi Mines and Minerals Private Limited, 172,000 Equity Shares allotted to Sakarwadi Trading Company Private Limited, 10,000 Equity Shares allotted to Filmedia Communication Systems Private Limited, 90,000 Equity Shares allotted to Somaiya Agencies Private Limited, 5,000 Equity Shares allotted to Yellowvalley Transport Private Limited, 30,000 Equity Shares allotted to Zenith Commercial Agencies Pvt. Ltd., 73,000 Equity Shares allotted to Arpit Limited, 20,000 Equity Shares allotted to Somaiya Chemical Industries Private Limited, 5,000 Equity Shares allotted to Cheerypink Picking Investments Private Limited, 15,000 Equity Shares allotted to Samir Shantilal Somaiya and 15,000 Equity Shares allotted to Mayadevi Shantilal Somaiya.

(7) 427,750 Equity Shares allotted to Narsang Vaghjibhai Padhiyar (as the Trustee of Sameerwadi Sugarcane Farmers' Welfare Trust) **, 68,750 Equity Shares allotted to Upendra V. Mithani and 68,750 Equity Shares allotted to Vijay V. Mithani.

(8) 4,765,033 Equity Shares allotted to Mandala Capital AG Limited.

(9) Conversion of 450,000 9% optionally convertible cumulative preference shares of our Company of ₹100 each ("OCCPS") held by Sakarwadi Trading Company Private Limited into 238,252 Equity Shares and conversion of 250,000 OCCPS held by Lakshmiwadi Mines and Minerals Private Limited into 132,362 Equity Shares.

(10) 315,750 Equity Shares allotted to Samir Shantilal Somaiya, 26,300 Equity Shares allotted to Lakshmiwadi Mines and Minerals Private Limited, 92,100 Equity Shares allotted to Sakarwadi Trading Company Private Limited, 131,600 Equity Shares allotted to K J Somaiya and Sons Private Limited and 197,400 Equity Shares allotted to Jasmine Trading Company Private Limited.

(11) 161,950 Equity Shares allotted to Mandala Capital AG Limited.

(12) 289,500 Equity Shares allotted to Sakarwadi Trading Company Private Limited.

(13) Rights Issue of 685,286 Equity Shares to 580 existing shareholders of our Company at the time, in the ratio of one Equity Share for every 25 Equity Shares pursuant to Section 62(1)(a)(iii) of the Companies Act, 2013.

(14) Rights Issue of 133,000 Equity Shares allotted to Samir Shantilal Somaiya, 220,000 Equity Shares allotted to Jasmine Trading Company Private Limited, 222,000 Equity Shares allotted to Zenith Commercial Agencies Pvt. Ltd., 22,000 Equity Shares allotted to The Book Centre Limited, 65,000 Equity Shares allotted to Sindhur Construction Private Limited and 31,000 Equity Shares allotted to K J Somaiya and Sons Private Limited in the ratio of 1 Equity Shares for every 25 Equity Shares pursuant to Section 62(1)(a)(iii) of the Companies Act, 2013.

(15) 21,775 Equity Shares allotted to Alkaben V. Patel and 23,500 Equity Shares allotted to Pankajbhai V. Patel, pursuant to Section 62(1)(a)(iii) of the Companies Act, 2013.

(16) 52,932 Equity Shares allotted to Jasmine Trading Company Private Limited, 47,328 Equity Shares allotted to K J Somaiya and Sons Private Limited, 6,236 Equity Shares allotted to Vijay Mithani, 6,471 Equity Shares allotted to Upendra Mithani, 10,589 Equity Shares allotted to Ankit Raj Organo Chemicals Limited, 430,763 Equity Shares allotted to Samir Shantilal Somaiya, 516,288 Equity Shares allotted to Sakarwadi Trading Company Private Limited, 2,213 Equity Shares allotted to Pankaj V. Patel, 804,703 Equity Shares allotted to Somaiya Agencies Private Limited, 11,295 Equity Shares allotted to Somaiya Properties and Investments Private Limited, 23,530 Equity Shares allotted to Karnataka Organic Chemicals Private Limited and 489,955 Equity Shares allotted to Lakshmiwadi Mines and Minerals Private Limited, pursuant to Section 62(1)(a)(iii) of the Companies Act, 2013.

(17) 485,903 Equity Shares allotted to Samir Shantilal Somaiya, 252,341 Equity Shares allotted to Sindhur Construction Private Limited, 119,287 Equity Shares allotted to Pankajbhai Vitthalbhai Patel, 80,189 Equity Shares allotted to Zenith Commercial Agencies Pvt. Ltd., 66,730 Equity Shares allotted to Filmedia Communication Systems Private Limited, 68,415 Equity Shares allotted to Alkaben Vinubhai Patel, 31,890 Equity Shares allotted to Maheshbhai C Patel, 37,500 Equity Shares allotted to Mrunalini Murlidhar Khairnar with Milind Balabhim Murugkar, 3,953 Equity Shares allotted to K J Somaiya and Sons Private Limited, 6,306 Equity Shares allotted to The Book Centre Limited, 15 Equity Shares allotted to Kailash Bandekar, 15 Equity Shares allotted to Rajendra Bandekar, 50 Equity Shares allotted to Mahabaleshwar Kabbur, 50 Equity Shares allotted to Naresh Sitaram Khetan jointly with Sangeeta Naresh Khetan, 25 Equity Shares allotted to Sangeeta Khetan jointly with Naresh Sitaram Khetan, 50 Equity Shares allotted to Ankit Khetan jointly with Khushboo Ankit Khetan, 25 Equity Shares allotted to Suneel Harlalka with Saroj Harlalka and 25 Equity Shares allotted to Santosh Khetan with Pawan Khetan, pursuant to Section 62(1)(a) of the Companies Act, 2013.

(18) 100 Equity Shares allotted to Shankar Mahadev Bidari, 5 Equity Shares allotted to Veerabhandrayya Mahantayya Ambali, 50 Equity Shares allotted to Jagadeesh Dyavanagaouda Benakatti, 50 Equity Shares allotted to Anand Rudrappa Itagi, 1,950 Equity Shares allotted to Anjana Rangappa Jaganoor, 25 Equity Shares allotted to Appasheb Rajashekhar Kharde, 100 Equity Shares allotted to Basagonda Shivaputra Shiraganvi, 150 Equity Shares allotted to Basavaraj Rachayya Mathapati, 50 Equity Shares allotted to Danappa Malakajappa Mahabalshetti, 50 Equity Shares allotted to Drakshayani Chidambar Hadimani, 30 Equity Shares allotted to Gangappa Ajjappa Belahar, 25 Equity Shares allotted to Irayya Kallaya Navalagimath, 100 Equity Shares allotted to Kalmesh Basayya Mathapati, 48 Equity Shares allotted to Kavita Krishana Davani, 30 Equity Shares allotted to Makabul Husensab Mujawar, 25 Equity Shares allotted to Mallikarjun Kallaya Navalagimath, 50 Equity Shares allotted to Mallikarjun Noorandayya Vastrad, 46 Equity Shares allotted to Mehazabeen Mehaboob Arbar, 100 Equity Shares allotted to Nirmala Danappa Mahabalshetti, 20 Equity Shares allotted to Prakash Shivappa Manahalli, 50 Equity Shares allotted to Premkumar Baburao Kavatagimath, 400 Equity Shares allotted to Siddappa Subhan Alakhanur, 55 Equity Shares allotted to Vithal Laxman Naik, 50 Equity Shares allotted to Mahaveer Lakkappa Sapthasagar, 112 Equity Shares allotted to Basappa Irappa Latti, 900 Equity Shares allotted to Channabasappa Sannashankrappa Mundinamani, 100 Equity Shares allotted to Channappa Ramappa Khadakabhavi, 120 Equity Shares allotted to Bharamppa Siddappa Daddi, 100 Equity Shares allotted to Gangappa Annappa Sumagar, 1,550 Equity Shares allotted to Irappa Mallappa Belkud, 1,550 Equity Shares allotted to Ishwar Mallappa Belkud, 120 Equity Shares allotted to Ishwarappa Bapuray Biradar, 60 Equity Shares allotted to Manjunath Malakappa Kate, 3,200 Equity Shares allotted to Mallappa Basappa Belakud, 100 Equity Shares allotted to Maruteppa Venkappa Yarananavi, 22 Equity Shares allotted to Nagappa Sannashankrappa Mundinamani, 300 Equity Shares allotted to Pundalik Rudrappa Patil, 25 Equity Shares allotted to Ramappa Girmallappa Tuppad and 25 Equity Shares allotted to Ravindra Dhananjay Kulkarni, pursuant to Section 62(1)(a) of the Companies Act, 2013.

** Pursuant to the order dated January 1, 2016 issued by SEBI ("SEBI Order"), the 1,841,850 Equity Shares allotted to the Sameerwadi Sugarcane Farmers' Welfare Trust on November 20, 2009 and 427,750 Equity Shares allotted to the Sameerwadi Sugarcane Farmers' Welfare Trust on March 30, 2010 were transferred to the beneficiaries of the Sameerwadi Sugarcane Farmers' Welfare Trust who consented for acquisition of such shares, in addition to payment of differential amount of ₹ 16 per share along with interest to such beneficiaries. Sameerwadi Sugarcane Farmers' Welfare Trust had distributed ₹19,680 among all the beneficiaries pursuant to the SEBI Order. For detail of risk, see "Risk Factor -SEBI has in the past directed our Company to refund amounts received pursuant to certain allotments to Sameerwadi Sugarcane Farmers' Welfare Trust or to pro rata distribute Equity Shares, to beneficiaries of the Sameerwadi Sugarcane Farmers' Welfare Trust." on page 32.

\$ Such equity shares were initially issued as partly-paid up equity shares. Subsequently, such partly paid-up equity shares were fully paid up.

2. Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	Reason for Allotment	Name of allottees	No. of Equity Shares Allotted	Face value (₹)	Issue price (₹)	Benefits accrued to our Company
April 24, 2009	Allotment pursuant to the Godavari Mills Scheme	Allotment made to 42 allottees in respect of the Scheme of Arrangement ⁽¹⁾	27,482,500	10	-	The sugar, power, chemical and distillery business of The Godavari Sugar Mills Limited, was demerged into our Company

⁽¹⁾ For details of the names of the allottees, see "- Notes to Capital Structure- Equity Share capital history of our Company – Allotment made on April 24, 2009", on page 79.

3. Except as disclosed above, our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013, as applicable.

4. Our Company has not issued any Equity Shares or preference shares out of its revaluation reserves at any time since incorporation.
5. As on the date of the Draft Red Herring Prospectus, our Company does not have outstanding preference shares.
6. All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
7. Our Company has not issued any Equity Shares during the period of one year preceding the date of this Draft Red Herring Prospectus.

8. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Share s held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	16	34,000,110	Nil	Nil	34,000,110	81.06	34,000,110	Nil	34,000,110	81.06	Nil	81.06	Nil	Nil	Nil	Nil	34,000,110
(B)	Public	32,305	7,942,913	Nil	Nil	7,942,913	18.94	7,942,913	Nil	7,942,913	18.94	Nil	18.94	Nil	Nil	Nil	Nil*	5,677,343
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	32,321	41,943,023	Nil	Nil	41,943,023	100.00	41,943,023	Nil	41,943,023	100.00	Nil	100.00	Nil	Nil	Nil	Nil	39,677,453

*Certain Equity Shares held by our public Shareholders may be subject to pledge or other forms of encumbrance.

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

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 32,321 Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, as on the date of filing of this Draft Red Herring Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Somaiya Agencies Private Limited	9,354,668	22.30
2.	Samir Shantilal Somaiya	6,021,211	14.36
3.	Sakarwadi Trading Company Private Limited	6,015,790	14.34
4.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64
5.	Mandala Capital AG Limited	4,926,983	11.75
6.	Sindhur Construction Private Limited	2,933,461	6.99
7.	Zenith Commercial Agencies Pvt. Ltd.	932,189	2.22
8.	Filmedia Communication Systems Private Limited	775,730	1.85
9.	Jasmine Trading Company Private Limited	615,332	1.47
10.	K J Somaiya and Sons Private Limited	596,131	1.42
	Total	37,892,212	90.34

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

No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share capital as of 10 days prior to filing of the Draft Red Herring Prospectus (%)
1.	Somaiya Agencies Private Limited	9,354,668	22.30
2.	Samir Shantilal Somaiya	6,021,211	14.36
3.	Sakarwadi Trading Company Private Limited	6,015,790	14.34
4.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64
5.	Mandala Capital AG Limited	4,926,983	11.75
6.	Sindhur Construction Private Limited	2,933,461	6.99
7.	Zenith Commercial Agencies Pvt. Ltd.	932,189	2.22
8.	Filmedia Communication Systems Private Limited	775,730	1.85
9.	Jasmine Trading Company Private Limited	615,332	1.47
10.	K J Somaiya and Sons Private Limited	596,131	1.42
	Total	37,892,212	90.34

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

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the Equity Share capital as of on year prior to filing of the Draft Red Herring Prospectus (%)
1.	Somaiya Agencies Private Limited	9,354,668	22.30
2.	Samir Shantilal Somaiya	6,021,211	14.36
3.	Sakarwadi Trading Company Private Limited	6,015,790	14.34
4.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64
5.	Mandala Capital AG Limited	49,26,983	11.75
6.	Sindhur Construction Pvt Ltd	2,933,461	6.99
7.	Zenith Commercial Agencies Pvt. Ltd.	932,189	2.22
8.	Filmedia Communication Systems Private Limited	775,730	1.85
9.	Jasmine Trading Company Private Limited	615,332	1.47
10.	K. J. Somaiya and Sons Private Limited	596,131	1.42

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the Equity Share capital as of on year prior to filing of the Draft Red Herring Prospectus (%)
	Total	37,892,212	90.34

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

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the Equity Share capital as of two years prior to filing of the Draft Red Herring Prospectus (%)
1.	Somaiya Agencies Private Limited	85,49,965	20.39
2.	Samir Shantilal Somaiya	45,76,865	10.92
3.	Sakarwadi Trading Company Private Limited	54,85,552	13.08
4.	Lakshmiwadi Mines and Minerals Private Limited	52,30,762	12.47
5.	Mandala Capital AG Limited	49,26,983	11.75
6.	Sindhur Construction Pvt Ltd	26,81,120	6.39
7.	Zenith Commercial Agencies Pvt. Ltd.	8,52,000	2.03
8.	Filmedia Communication Systems Private Limited	7,09,000	1.69
9.	Jasmine Trading Company Private Limited	5,62,400	1.34
10.	K. J. Somaiya and Sons Private Limited	5,44,850	1.30
	Total	34,119,497	81.37

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

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

- As on the date of this Draft Red Herring Prospectus, our Promoters hold 15,375,879 Equity Shares, equivalent to 36.66% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. N.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Somaiya Agencies Private Limited	9,354,668	22.30	[●]	[●]
2.	Samir Shantilal Somaiya	6,021,211**	14.36	[●]	[●]
	Total	15,375,879**	36.66	[●]	[●]

* Subject to finalisation of Basis of Allotment

**Does not include 149,950 Equity Shares held by in the name of Shantilal Karamshi Somaiya HUF. Samir Shantilal Somaiya is the Karta of Shantilal Karamshi Somaiya HUF.

- All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.
- Build-up of the Promoters' shareholding in our Company**

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

Nature of transaction	Date of allotment/ transfer / transmission	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
Samir Shantilal Somaiya						
Allotment pursuant to the scheme of arrangement between The Godavari Sugar Mills Limited and our Company	April 24, 2009	582,269	10	-	1.39	[●]
Preferential allotment	February 16, 2010	15,000	10	200	0.04	[●]
Transmission from late Dr. Shantilal K. Somaiya	February 24, 2010	3,070,546	10	-	7.32	[●]
Preferential allotment	October 14, 2016	315,750	10	190	0.75	[●]
SEBI pursuant to its order dated March 7, 2017, acceded to the request made pursuant to the letter dated December 22, 2016 by Sugarcane Farmers' Welfare Trust for the transfer of Equity Shares from Sameerwadi Sugarcane Farmers' Welfare Trust to Samir Shantilal Somaiya	March 30, 2017	27,300	10	200	0.07	[●]
Rights Issue	March 31, 2018	433,000	10	225	1.03	[●]
Rights Issue	September 26, 2018	133,000	10	225	0.32	[●]
Rights Issue	July 29, 2019	430,763	10	180	1.03	[●]
Rights Issue	August 30, 2019	485,903	10	180	1.16	[●]
Transmission from Mayadevi Somaiya	November 30, 2019	527,680	10	-	1.26	[●]
Total shareholding (A)		6,021,211			14.36	[●]
Somaiya Agencies Private Limited						
Allotment pursuant to the scheme of arrangement between The Godavari Sugar Mills Limited and our Company	April 24, 2009	8,529,965	10	-	20.34	[●]
Preferential allotment	February 16, 2010	90,000	10	200	0.21	[●]
Transfer to The Godavari Sugar Mills Limited*	February 10, 2011	(60,000)	10	200	(0.14)	[●]
Transfer to K J Somaiya and Sons Private Limited*	February 10, 2011	(10,000)	10	200	(0.02)	[●]
Rights Issue	July 29, 2019	804,703	10	180	1.92	[●]
Total shareholding (B)		9,354,668			22.30	[●]
Total (A+B)		15,375,879			36.66	[●]

*Our Company has not been able to trace the share transfer forms for (i) 60,000 Equity Shares from Somaiya Agencies Private Limited to The Godavari Sugar Mills Limited on February 10, 2011; and (ii) 10,000 Equity Shares from Somaiya Agencies Private Limited to K J Somaiya and Sons Private Limited on February 10, 2011. Accordingly, reliance has been placed on other documents and corporate records available with our Company such as corresponding board resolutions. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors –Our Company was incorporated in 1956 and certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future." on page 46.

- All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares to such Promoters. Further, none of the Equity Shares held by our Promoters are pledged.
- The details of the shareholding of the members of the Promoter Group (other than our Promoters) as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below.

S. N.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Sakarwadi Trading Company Private Limited	6,015,790	14.34	[●]	[●]
2.	Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64	[●]	[●]
3.	Sindhur Construction Pvt Ltd	2,933,461	6.99	[●]	[●]
4.	Zenith Commercial Agencies Pvt. Ltd.	932,189	2.22	[●]	[●]
5.	Filmedia Communication Systems Private Limited	775,730	1.85	[●]	[●]
6.	Jasmine Trading Company Private Limited	615,332	1.47	[●]	[●]
7.	K. J. Somaiya and Sons Private Limited	596,131	1.42	[●]	[●]
8.	Harinakshi Somaiya	300,000	0.72	[●]	[●]
9.	Karnataka Organic Chemicals Private Limited	273,530	0.65	[●]	[●]
10.	Shantilal Karamshi Somaiya (HUF)	149,950	0.36	[●]	[●]
11.	Somaiya Properties and Investments Private Limited	131,295	0.31	[●]	[●]
12.	Arpit Limited	86,000	0.21	[●]	[●]
13.	The Book Centre Limited	73,306	0.17	[●]	[●]
14.	Somaiya Chemical Industries Private Limited	20,800	0.05	[●]	[●]
	Total	18,624,231	44.40	[●]	[●]

* Subject to finalisation of Basis of Allotment.

- None of the members of the Promoter Group, the Promoters, directors of our Corporate Promoter or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. However, 300,000 Equity Shares have been transmitted from the Dr. S K Somaiya (Harinakshi Somaiya B Trust) to Harinakshi Somaiya on June 25, 2021 pursuant to the dissolution of the Dr. S K Somaiya (Harinakshi Somaiya B Trust).
- There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Corporate Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

12. Details of Promoters' contribution and lock-in for 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, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. As per the applicable provisions of SEBI ICDR Regulations, "capital expenditure" means civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery etc. Please see "*Objects of the Offer*" at page 89.
- 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
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]	

* 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 Basis of Allotment.

- (iii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post- Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
 - The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
 - Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

13. *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.

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

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

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

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

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

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

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted 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.

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 SEBI Takeover Regulations.

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

- 17. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not made any buy-back arrangements for purchase of Equity Shares from any person.
- 18. None of the Directors or Key Managerial Personnel of our Company, except Samir Shantilal Somaiya, Sangeeta Arunkumar Srivastava, Bhalachandra Bakshi and Naresh Sitaram Khetan hold any Equity Shares in our Company. For details, see "*Our Management-Shareholding of Directors in our Company*" and "*Our Management-Shareholding of the Key Managerial Personnel*" on pages 194 and 204 respectively.
- 19. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 20. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Managers and their associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Managers and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 21. Except for Samir Shantilal Somaiya, Somaiya Agencies Private Limited, Filmedia Communication Systems Private Limited, Somaiya Properties and Investments Private Limited, and Lakshmiwadi Mines and Minerals Private Limited, who are offering Equity Shares in the Offer for Sale, none of our other Promoters or members of our Promoter Group will participate in the Offer.
- 22. As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.
- 23. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
- 24. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

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

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Investor Selling Shareholder, the Promoter Selling Shareholders and Promoter Group Selling Shareholders (collectively, the “**Selling Shareholders**”). Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to their pro rata proceeds from the Offer for Sale, net of their respective portion of the Offer related expenses. For further details, please see “-Offer Expenses” on page 95.

Fresh Issue

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

1. Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company;
2. Funding capital expenditure for expansion of sugarcane crushing capacity at Sameerwadi Manufacturing Facility (“**Sugarcane Crushing Expansion**”);
3. Funding capital expenditure for establishing a potash manufacturing unit at the Sameerwadi Manufacturing Facility (“**Potash Unit**”); and
4. General corporate purposes

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities (ii) to undertake the activities proposed to be funded from the Net Proceeds, as well as the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers and provide a market for our Equity Shares to the existing public shareholders of our Company.

Net Proceeds

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

Particulars	Estimated amount (in ₹ million)
Gross proceeds of the Fresh Issue	3,700.00
(Less) Fresh Issue expenses ⁽¹⁾	[●]
Net Proceeds of the Fresh Issue (the “ Net Proceeds ”) ⁽¹⁾	[●]

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

Utilisation of Net Proceeds

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

Particulars	Estimated amount (in ₹ million)
Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company	2,140.00
Funding capital expenditure for Sugarcane Crushing Expansion	448.44
Funding capital expenditure for the Potash Unit	106.20
General corporate purposes ⁽¹⁾	[●]

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

Proposed schedule of implementation and deployment of Net Proceeds

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

(in ₹ million)

Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Estimated deployment of the Net Proceeds	
			Fiscal 2022	Fiscal 2023
Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company	2,140.00	2,140.00	2,140.00	-
Funding capital expenditure for Sugarcane Crushing Expansion	448.44	448.44	60.00	388.44
Funding capital expenditure for the Potash Unit	106.20	106.20	-	106.20
General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

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

Our Company, in consultation with the BRLMs and Selling Shareholders, may consider a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and the Pre-IPO Placement will be completed 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.

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, changes in commodity prices particularly price of steel. which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met due to the reasons stated above, such funds shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable law. In case the estimated utilisation of the Net Proceeds in a scheduled fiscal year is higher than estimated due to the reasons stated above, the utilization in subsequent year will be reduced, as may be determined by our Company, in accordance with applicable law. In case the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if necessary and towards 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 from Fresh Issue in accordance with the SEBI ICDR Regulations.

Means of Finance

We propose to meet the requirement of funding capital expenditure for our Sugarcane Crushing Expansion and Potash Unit entirely out of the Net Proceeds. No amounts are proposed to be raised through any other means of finance. Accordingly, the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals are complied with. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

Details of the Objects

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

We avail majority of our fund based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions, including in the form of term loans and working capital loans. For further information on the financial indebtedness of our Company, see “*Financial Indebtedness*” on page 283. As of March 31, 2021, we had total borrowings of ₹ 6,170.24 million on a consolidated basis which includes non-fund based borrowings. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 2,140.00 million for full or partial repayment or prepayment of certain borrowings availed by our Company.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Our Company may avail further loans after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans. Accordingly, in case any of the below loans are pre-paid or further drawn down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment/pre-payment of such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in full or part, would not exceed ₹ 2,140.00 million.

We believe that such repayment/prepayment will help us reduce a portion of our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt-to-equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be at the discretion of the Board and will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides details of borrowings availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid up to the extent of ₹ 2,140.00 million from the Net Proceeds.

Sr. No.	Name of the lender	Nature of the borrowing	Purpose of borrowing ⁽¹⁾	Sanctioned Amount	Amount outstanding as at March 31, 2021	Interest rate	Repayment schedule	Prepayment penalty
				(in ₹ million)				
1.	Union Bank of India	Term loan	Augment working capital	900.00	810.00	11.45%	Equal quarterly instalments with the last date of payment in August 2025	Liable for prepayment penalty of 1% in case borrower prepays by way of funds other than fresh equity or internal accruals
2.	IndusInd Bank Limited	Term loan	Augment working capital	1,100.00	1,051.16	9.85%	Structured quarterly instalments with the last date of payment in	Liable for prepayment penalty of 1% if the loan is refinanced

Sr. No.	Name of the lender	Nature of the borrowing	Purpose of borrowing ⁽¹⁾	Sanctioned Amount	Amount outstanding as at March 31, 2021	Interest rate	Repayment schedule	Prepayment penalty
				(in ₹ million)				
							April 2027	by another lender within one year from availing the loan.
3.	Bank of India	Term loan	Payment of arrears to sugarcane farmers for 2018-2019 season	651.50	575.48	10.70%	Equal monthly instalments with the last date of payment in August 2025	Nil
4.	SVC Co-operative Bank Limited	Term loan	Augment working capital	500.00	500.00	10.00%	Structured quarterly instalments with the last date of payment in March 2029	Liable for prepayment penalty of 3% if the loan is refinanced by another lender within lock-in period of 18 months from disbursement date or September 30, 2022 whichever is later. Post lock-in period pre-closure interest of 2% is payable except where prepayment is through internal accruals or equity infusion
Total				3,151.50	2,936.64			

⁽¹⁾ Our statutory auditor Verma Mehta & Associates, Chartered Accountants have confirmed that the above borrowings have been utilised for the purpose for which they were availed pursuant to their certificate dated September 24, 2021.

2. Funding capital expenditure for Sugarcane Crushing Expansion.

The current manufacturing capacity of ethanol at the Sameerwadi Manufacturing Facility is 380 KLPD. We propose to augment our manufacturing capacity of ethanol to 570 KLPD using sugarcane syrup, sugarcane juice, 'B heavy' molasses and 'C' molasses. The proposed capacity expansion is in line with the India's National Policy on Biofuels ("Biofuels Policy"). The Biofuels Policy seeks to increase the quantity of ethanol manufactured in India by using renewable feed stock. Accordingly, in order to increase the manufacturing capacity of ethanol to 570 KLPD at the Sameerwadi Manufacturing Facility, we propose to expand the sugarcane crushing capacity from 15,000 TCD to 18,000 TCD to augment the supply of sugarcane syrup, sugarcane juice and 'B heavy' molasses. The expansion of our sugarcane crushing capacity will be undertaken within our Sameerwadi

Manufacturing Facility. We are not required to acquire any additional land to expand our sugarcane crushing capacity for our Sameerwadi Manufacturing Facility.

The total estimated cost for expansion of our sugarcane crushing capacity at our Sameerwadi Manufacturing Facility is ₹ 448.44 million. This estimate has not been appraised by any bank or financial institution. We propose to meet the requirement of funding capital expenditure for our Sugarcane Crushing Expansion entirely through a portion of the Net Proceeds. Details of the estimated cost is set forth below:

(in ₹ million)

Sr. No.	Particulars	Estimated Cost*
1.	Civil works	37.56
2.	Mechanical works	269.34
3.	Boiling house works	84.65
4.	Electrical works	56.89
Total		448.44

*The estimated cost for the Sugarcane Crushing Expansion has been certified by Anupam Kumar Shukla, an independent chartered engineer, registered with The Institute of Engineers (India) through his certificate dated September 20, 2021.

Civil works: The civil works for the Sugarcane Crushing Expansion primarily involves establishing the civil foundation for plant and machinery. The total estimated cost for civil works for the Sugarcane Crushing Expansion is ₹ 37.56 million.

Mechanical/Mill works: The mechanical works for the Sugarcane Crushing Expansion primarily involves expansion of our two milling tandems. The proposed expansion work will involve replacing one of the current mills with that of a larger size to achieve a higher crushing rate while new motors will be substituted for the current motors in the second mill. The expansion work will also include additions of auxiliary and balancing equipment in each of the two mills. The total estimated cost for mechanical works for the Sugarcane Crushing Expansion is ₹ 269.34 million.

Boiling house works: The boiling house works for the Sugarcane Crushing Expansion involves installation of additional equipment at the boiler house. The details of key machinery and equipment proposed to be installed at the boiler house include semi-kestner tubes, short retention time clarifier, vacuum filters, juice heaters aggregating to ₹ 84.65 million.

Electrical works:

The electrical works for the Sugarcane Crushing Expansion primarily involves installation of various electrical equipment and fittings for expansion of our sugarcane mills. The details of key machinery and equipment include high-tension motors, transformers, low-tension/high tension cables, outdoor high-tension panels, low-tension electrical control panels, electrical cables aggregating to approximately ₹ 56.89 million.

In relation to the purchase of the machinery and equipment for the Sugarcane Crushing Expansion as set out above, the estimated cost has been certified by Anupam Kumar Shukla, an independent chartered engineer, registered with The Institute of Engineers (India) through his certificate dated September 20, 2021 which includes quotations received from various vendors which are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery and equipment or at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates. We do not intend to purchase any second-hand machinery or equipment. In case of any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals or borrowings. We have not placed any orders for purchase of the machinery / equipment as on the date of this Draft Red Herring Prospectus.

3. Funding capital expenditure for the Potash Unit

Our Sameerwadi Manufacturing Facility is an integrated plant which is primarily dedicated to the manufacturing of sugar, rectified spirits, ethanol and power. We propose to establish the Potash Unit at our Sameerwadi Manufacturing Facility for the extraction of potash from fly-ash which is generated from the operation of incinerator boilers at manufacturing plants. We propose to extract and sell potash of two varieties, muriate of potash or potassium chloride (“MOP”) and sulphate of potash (“SOP”). We believe that MOP can be used to farm a variety of vegetables such as sugar beet, corn, celery and Swiss chard and can be beneficial for soil which

is low in chloride and improves crop's resistance to disease. SOP contains two key nutrients for growing crops, potassium and sulphur. We believe that SOP's use in agriculture can improve crop yields and contribute to making crops resilient to drought, frost, insects and disease. We also believe that SOP can be considered to improve a plant's ability to absorb essential nutrients like phosphorus and iron and can be used as inputs for farming crops like fruits, vegetables, nuts, tea, coffee and tobacco.

We are not required to acquire any additional land to establish the Potash Unit. A majority of the Sameerwadi Manufacturing Facility is located on owned premises with a portion being located on leased premises. We have all necessary governmental approvals for establishing the Potash Unit and manufacture potash.

The total estimated cost of establishing the Potash Unit is ₹ 106.20 million. We intend to fund the cost of establishing the Potash Unit entirely by utilising a portion of the Net Proceeds. Details of the estimated cost is set forth below:

(in ₹ million)

Sr. No.	Particulars	Estimated Cost*
1.	Civil works	7.55
2.	Mechanical works	82.60
3.	Utilities	5.90
4.	Consultancy Fee	4.72
5.	Electrical works	5.43
Total		106.20

* The estimated cost for the Potash Unit has been certified by Anupam Kumar Shukla, an independent chartered engineer, registered with The Institute of Engineers (India) through his certificate dated September 20, 2021

Civil works

Civil works for establishing the Potash Unit include construction and engineering related work including foundation for plant and machinery and cooling tower basins. The total estimated cost for civil works for the Potash Unit is ₹ 7.55 million.

Mechanical works

The total estimated cost for mechanical works for the Potash Unit is ₹ 82.60 million. Key plant and machinery proposed to be purchased for the Potash Unit primarily includes pre-treatment and multiple effect evaporative crystallizer for potash (SOP and MOP), recovery from spent wash incinerator ash.

Utilities

The total estimated cost for utilities for the Potash Unit is ₹ 5.90 million. Key equipment proposed to be purchased for utilities primarily includes mild steel plate tank for sulphuric acid, mild steel plate tank for storage tanks, stainless steel piping for sulphuric acid and steam piping.

Consultancy fee

We propose to utilise ₹ 4.72 million towards consultancy charges payable for the purposes of establishing the Potash Unit.

Electrical works

The electrical works for the Potash Unit primarily involves installation of various electrical equipment and fittings for our Potash Unit. The total estimated cost for electrical works is ₹ 5.43 million. Key equipment for electrical works includes electric cables including cable laying, breakers, feeders, glands, air circuit breakers and earthing and lightning arrestor.

In relation to the purchase of the machinery and equipment for the Potash Unit as set out above, the estimated cost has been certified by Anupam Kumar Shukla, an independent chartered engineer, registered with The Institute of Engineers (India) through his certificate dated September 20, 2021 which includes quotations received from various vendors which are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery and equipment or at the same costs. The quantity

of machinery and equipment to be purchased is based on management estimates. We do not intend to purchase any second-hand machinery or equipment. In case of any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals and/or borrowings. We have not placed any orders for purchase of the machinery / equipment as on the date of this Draft Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building and civil works, acquisition of plant and machinery, utilities, or in the entities from whom we have obtained quotations in relation to such activities.

4. General Corporate Purposes

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

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, strategic initiatives, funding growth opportunities, strengthening marketing capabilities and brand building exercises, meeting expenses for ongoing projects, contingencies, expenses incurred in ordinary course of business, working capital requirements, business requirements of our Company, repayment or pre-payment of borrowings of the Company and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount 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, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Offer Expenses

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

Except for (a) listing fees and expenses in relation to product or corporate advertisements of our Company, i.e., any corporate advertisements consistent with the past practices of our Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer) which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all other Offer expenses will be shared upon successful completion of the Offer between our Company and the Selling Shareholders on a pro-rata basis in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by each of the Selling Shareholders in the Offer for Sale, respectively and in accordance with applicable law.

Expenses relating to the Offer shall be paid by our Company in the first instance. Each Selling Shareholder severally and not jointly shall reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of such Selling Shareholder in the manner agreed to between our Company and such Selling Shareholder.

The estimated Offer expenses are set forth in the table below:

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽¹⁾⁽²⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others	[●]	[●]	[●]
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;			
(ii) Printing and distribution of stationery;			
(iii) Fees payable to legal counsels; and			
(iv) Miscellaneous.			
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

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

⁽²⁾ No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders 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 Retail Individual Investors ₹ [●] per valid application (plus applicable taxes)

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

⁽³⁾ The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

₹ [●] per valid Bid cum Application Form (plus applicable taxes)

Sponsor Bank

The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable law

⁽⁴⁾ Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

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

Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act 2013, our Company confirms that

it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any banks or financial institutions, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

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

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

Variation in objects

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

Appraising entity

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

Other confirmations

Except to the extent of the proceeds received pursuant to sale of Equity Shares held by them pursuant to the Offer for Sale, none of our Promoters or members of the Promoter Group, Directors, Key Managerial Personnel or Group Companies will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR THE OFFER PRICE

Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Price Band, Floor Price and Offer Price will be determined by our Company, in consultation with the BRLMs and the Selling Shareholders, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to “Risk Factors”, “Our Business”, “Restated Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 29, 147, 215 and 268, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

- One of the largest producers of ethanol and a pioneer in manufacturing ethanol based chemicals in India;
- Fully integrated biorefinery company with well-established relationships with farmers of sugarcane
- Diversified product portfolio and well-established relationships with a diversified customer base across industries;
- Well developed in-house research and development capabilities; and
- Member of the Somaiya group and experienced promoter, board of directors and key managerial personnel

For further details, see “Our Business –Our Strengths” on page 149.

Quantitative factors

Certain information presented below, relating to our Company, is based on the Restated Consolidated Financial Statements. For details, see “Restated Consolidated Financial Statements” on page 215.

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

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

As per the Restated Consolidated Financial Statements:

Fiscal/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2021	6.47	6.47	3
2020	1.00	1.00	2
2019	1.46	1.46	1
Weighted Average	3.81	3.81	-

Note:

Basic and Diluted EPS = $\frac{\text{Restated consolidated net profit after tax for the year attributable to the equity Shareholders of the Company}}{\text{Weighted average number of equity shares and potential equity shares outstanding during the year}}$

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

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2021	[●]	[●]
Based on diluted EPS for Fiscal 2021	[●]	[●]

Industry Peer Group P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

III. Return on Net Worth (“RoNW”)

As per Restated Consolidated Financial Statements:

Financial Year ended	RoNW (%)	Weight
Fiscal 2021	12.72	3
Fiscal 2020	2.18	2
Fiscal 2019	4.71	1
Weighted Average	7.87	-

Note:

Return on Net Worth (%) = $\frac{\text{Restated consolidated net profit after tax for the year / period attributable to the equity Shareholders of the Company}}{\text{Restated Consolidated Net Worth as at the end of the year}}$

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

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	50.90
After the Offer	[●]
Offer Price	[●]

Note:

Net Asset Value per share = $\frac{\text{Restated equity attributable to owners of the Company excluding reserves created out of revaluation of assets.}}{\text{Number of equity shares outstanding during the year}}$

V. Comparison of accounting ratios with listed industry peers

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

VI. The Offer price is [●] times of the face value of the Equity Share

Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs and the Selling Shareholders, on the basis of assessment of market demand from investors for Equity Shares 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 Position and Results of Operations” and “Financial Information” beginning on page 29, 147, 268 and 215 respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” on page 29 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Statement of Special Tax Benefits

To,

The Board of Directors
Godavari Biorefineries Limited
Somaiya Bhavan
45-47 Mahatma Gandhi Road
Fort, Mumbai 400 001

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

1. We, Verma Mehta & Associates., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed Annexure A, prepared by the Company and initialled by us and the Company for identification purpose (“**Statement**”) for the proposed initial public offering of equity shares of the Company (“**Offer**”), provides the possible special tax benefits available to the Company and to its shareholders under the Income Tax Act, 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India and under indirect taxation laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure covers only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
3. We do not express any opinion or provide any assurance as to whether:
 - the Company and/or its shareholders will continue to obtain these possible special tax benefits in the future; or
 - the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
5. We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“**ICAI**”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.
6. We hereby consent to this certificate being disclosed by the BRLM, if required by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authorities (including stock exchanges) with prior intimation to us.
7. We hereby consent to the extracts of this certificate and the Statement being used in the Draft Red Herring Prospectus to be filed by the Company in connection with the Offer and other Offer related materials and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **VERMA MEHTA & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 112118W

Vimlesh Mehta

Partner

Membership Number:

Place of Signature: Mumbai

Date: September 24, 2021

UDIN: 21043599AAAABO7152

Annexure A

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

1. Special tax benefits available to the Company

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

2. Special Tax Benefits to the Shareholders

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

Notes:

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

SECTION VI - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled “Global Biorefinery Market Report” dated August 31, 2021 (the “**F&S Report**”), prepared by Frost & Sullivan (India) Private Limited (“**F&S**”). We commissioned the F&S Report for the purpose of confirming our understanding of the industries in which we operate in connection with the Offer. Unless specified otherwise, all information in this section has been derived from the F&S Report. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. F&S disclaimer: The study has been undertaken through primary and secondary research which involves discussing the status of the market with leading participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by F&S and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. F&S has prepared the F&S Report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. F&S believes that the F&S Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Forecasts, estimates, predictions, and other forward-looking statements contained in the Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the Offer, potential investors should conduct their own investigation and analysis of all facts and information contained in the offer documents in which extracts, in full or part, of the F&S Report are included and must rely on their own examination of Godavari Biorefineries Limited and the terms of the Offer. Potential investors should not construe any of the contents in the F&S Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer.

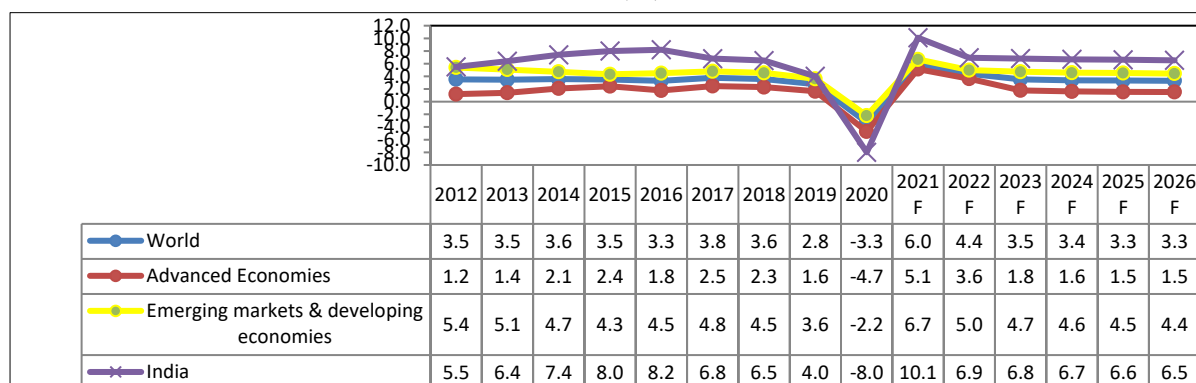
Macroeconomic Overview - Global

Gross Domestic Product (“GDP”) Growth:

Compared with the synchronized nature of the global economic slowdown in the first half of 2020, the global economy showed signs of a two-track recovery that began in the third quarter of 2020 with developed economies experiencing a nascent recovery advanced economies are expected to benefit from quicker access to vaccines and strong fiscal support

The baseline forecast envisions a 6.0% growth in global GDP in 2021. The collapse in global economic activity in 2020 is estimated to have been slightly less severe than previously projected, mainly due to shallower contractions in advanced economies and a more robust recovery in China. This is expected to be driven by the increased government investments and incentive schemes.

Real GDP Growth (%) 2012- 2026F



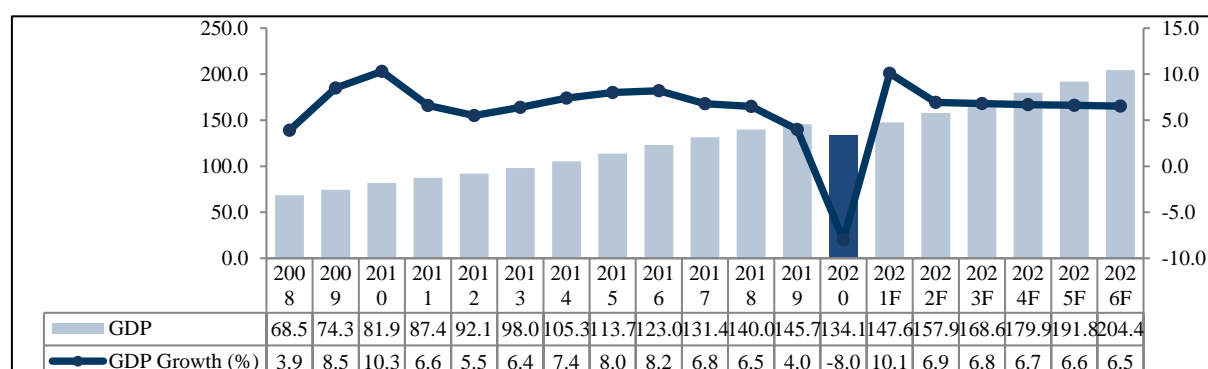
India Macroeconomic Overview

India went through an early lockdown in March-2020 which led to the slowdown of many sectors; however, the chemical industry was comparatively less affected. India is slowly opening up with most sectors coming back to normalcy. IMF gave India a huge upgrade due to the fast recoveries at its factories and farms. India is expected to experience the fastest recovery among major countries with a huge turnaround from 2020's decline of over 10%. India's GDP will rebound strongly by 10.1% in 2021, according to IMF, due to the continued economic recovery increased public investment, vaccine rollout, and a surge in domestic demand.

Despite lock down there are several economic indicators like e-way bills, electricity, and registrations of cars and two-wheelers, container traffic which are showing positive signs. Moreover, the capacity utilisation at factories has increased to over 70 % as migrant labourers have returned. The country's GST collection is growing gradually indicating that economy recovery is in sight. GST collections touched a new high of nearly INR 1.2 lakh crore in January 2021. India is strengthening the entire ecosystem to achieve present Government's dream of becoming a USD 5 trillion economy by 2025 through rapid structural reforms.

The medium-term growth outlook is expected to improve and record a growth rate of ~7.3% by 2025F, on an account of the strong macroeconomic fundamentals which include moderate inflation, the implementation of key structural reforms and improved fiscal and monetary policies. Meanwhile, the recent moves by the government to improve balance sheets of state-owned banks, through an augmented re-capitalization plan worth INR 2,110 Bn for public sector banks spread over two years, are expected to support the capital shortages of the public sector banks that have hindered the bank's lending capacity.

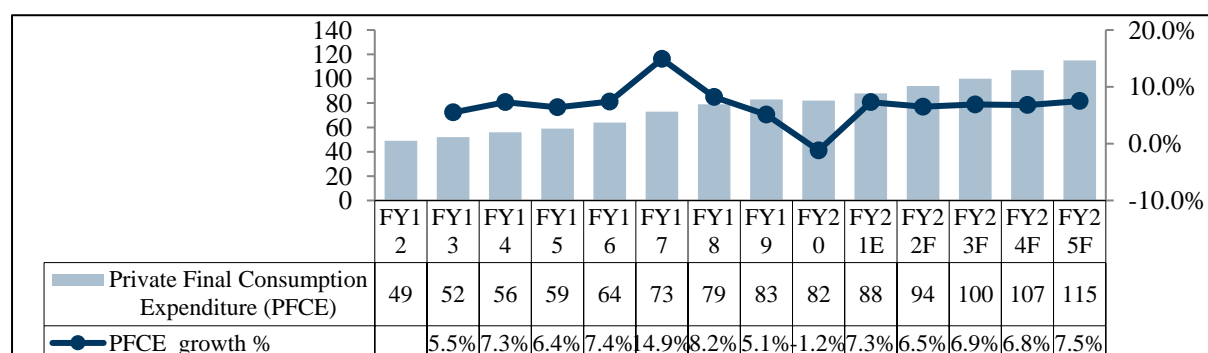
Real GDP Value, at constant price (INR 000'Bn) and Growth %, India, 2008 to 2026F



Private Final Consumption Expenditure Growth in India

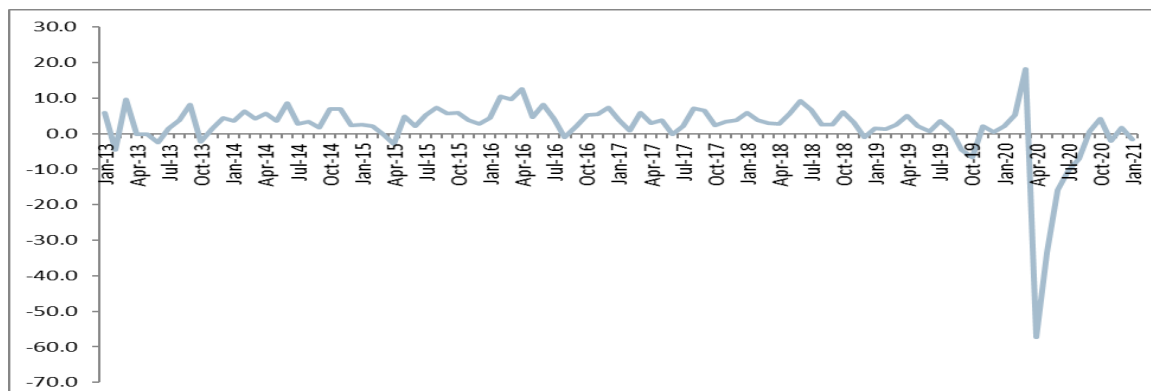
Real private final consumption expenditure (PFCE) is expected to decline by 1.2% owing to the impact of covid-19 pandemic during 2020-21(FY20) but likely to record 7.3% growth during FY21. Going ahead, PFCE is expected to stabilize between 6.9% - 7.5% through 2023-25.

Private Final Consumption (INR 000'Bn) and Growth (%), India, FY12 to FY25F



Index of Industrial Production

IIP Growth (%) – 2013 – 2021E



The country's index of industrial production (IIP) surged 134.4% year-on-year to 126.6 in the month of April 2021. This high frequency indicators suggest that the economy has picked up pace.

Drivers for Chemicals and Chemical Intermediates in India

India lays down blueprint to seize whitespace in Global Chemical Industry:

Indian chemical sector has huge potential to emerge as global manufacturing hub. Government is developing plans to provide world class infrastructure and logistics to elevate India's position in Global chemical industry. Shifting focus towards R&D would also facilitate growing opportunities which could propel Indian chemical industry to become a global manufacturing hub and penetrate the global value chain. With over 200 national laboratories and 1,300 research and development (R&D) centres which provide a strong base to become innovation oriented, India has been increasing its export of chemical products in the recent years, so growth will also be a factor of buoyant exports.

Strategic initiatives such as public procurement policy; scheme for setting up plastic parks; intellectual property treaties; export promotion schemes; production linked incentive (PLI) Scheme; new PCPIR Policy 2020–35 among others will drive growth.

This trend is similar to the trend witnessed in IT sector and pharmaceuticals sector where India had efficiently seized the market opportunity and created a niche which is irreplaceable in today's time. Similarly, India has similar whitespace opportunity in chemicals sector and has bright chances to seize it. Government of India has already laid the blueprint and industry is moving forward to achieve it and in medium-long term period India's chemical sector will shine in the similar way that of Pharmaceuticals and IT in past.

Specialty chemicals to drive growth; Agro-chemicals and Pharma-chemicals to be focus areas:

Post the opening of the lockdown across major global economies, the specialty chemical industry was amongst the first to recover, given the increasing need for its inputs towards essential supplies such as pharmaceuticals, personal health and hygiene and agrochemicals. This sector is expected to be the key driver for growth in the chemicals sector, out-pacing petrochemicals and other bulk chemicals in the next 2-3 years.

India Trade Scenario:

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

China Plus One Strategy:

China plus one is a business strategy that avoids overinvesting in one country i.e. China, and promote diversification of business in other countries. This is majorly adopted by many multinationals which are taking proactive steps in avoiding over-dependence on China for their manufacturing operations.

Alongside this being a fallout of COVID-19, the advantage of cheaper labour and market demand that China initially provided has increasingly been overshadowed by emerging economies like India and few of the ASEAN countries like Vietnam, Indonesia, Philippines, etc.

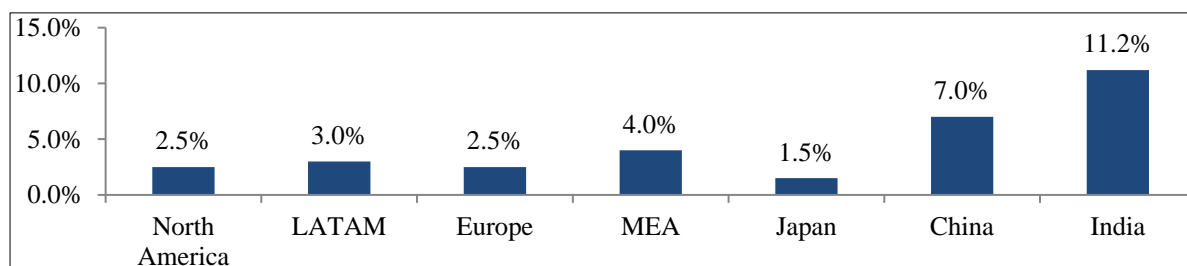
Several global players prefer a “China + 1 offshore strategy”, with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labour have already stifled growth in China. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Moreover, Chinese government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Chinese chemical companies are witnessing a rise in ‘capex’ and ‘opex’ costs, making them less competitive in the export market. In 2017, an estimated 40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits. JVs/ Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spill-over impact of China’s declining competitiveness has set the stage for India to intensify its effort to capture larger market share. Currently Indian companies are experiencing wave of bigger orders from Global companies who previously used to purchase from Chinese counterparts. Many customers have been dependent on China for a long time and they are looking for an alternative and India is their preferred choice. Many small and large companies are experiencing surge in demand from global companies who are shifting their source from China to India.

With new regulations in place and the Chinese companies adhering to new norms, they are expected to bounce back with certain level of reforms in the way of operations. Whenever the Chinese companies make a comeback, it would be at a significantly higher cost of production given the significant investment in environmentally compliant equipment and manufacturing practices. India, in the meantime, would have significantly strengthened its position in the global supply chain and would be a very viable alternative for global players looking to de-risk their supply chain, while retaining their sourcing costs. Pharmaceuticals and agrochemicals are some of the key sectors that are particularly set to benefit from this shift in dynamics, wherein the Chinese manufacturers continue to operate at lower capacity levels, given the increased monitoring of safety standards and compliance norms. The powering trend of de-risking of input procurement from China by global chemical leaders offers great export as well as domestic sales opportunity for Indian specialty chemical industry

United States and Japan are the major countries which are part of this business strategy reducing over reliance on China, moving out to India and ASEAN countries. However, this strategy has its own set of difficulties too, including navigating new laws, new markets and streamlining the business over multiple locations.

The domestic chemicals industry in China is also witnessing a slowdown, as a result of slower economic growth. China’s economic growth is expected to slow down further in the coming years, thus resulting in reduced domestic demand and several plants shutting down in the last three years. This has also resulted in China’s overall exports of chemicals growing at a slower rate than India. There is an ample replaceable export market for India to capitalize on and weave a strong growth story for chemicals led by specialty chemicals.

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



In terms of region-wise demand, India's specialty chemicals industry is expected to witness the maximum growth of 11-12% CAGR over the next five years compared with other markets, due to rising demand from end-user industries, coupled with tight global supply on account of stringent environmental norms in China.

Recovery of India Personal Care and Cosmetic market to Drive Demand for Intermediate Chemicals:

India and France are the only two markets that will lead the recovery in the beauty category over the next two years. India is forecast to grow as a result of strong consumer demand. Brands also launched clean beauty products to tap the growing consumer consciousness towards hygiene. Due to Covid-19, the demand for in-home skincare is expected to increase. A rise in new areas of demand including 'home make-up', 'mask make-up' and 'contrast make-up' in the cosmetic industry.

Within personal care and cosmetics industry, the next phase of growth would be increased adoption of renewable chemicals. This will be based on two key factors: renewable chemical prices compared with that of conventional fossil-based chemicals, and the willingness of the end user to pay a price premium for renewable-derived feedstock. There are signs in the skincare sector that show responsibly sourced; traceable, renewable and biodegradable chemicals can command a price premium from the end customer. Godavari Biorefineries Limited is an active supplier of key bio-based raw materials to the personal care industry.

India's effective Intellectual Property Rights (IPR) Policy Safeguards New Product Developments:

The National Intellectual Property Rights (IPR) Policy, approved by the Union Cabinet in 2016, is a giant leap by the Government of India to spur creativity and stimulate innovation. India has a TRIPS compliant, robust, equitable and dynamic IPR regime. An all-encompassing IPR Policy will promote a holistic and conducive ecosystem to catalyse the full potential of intellectual property for India's economic growth and socio-cultural development, while protecting public interest. Overall, India has a strong Intellectual Property Rights ("IPR") policy encouraging more and more companies to launch innovative products by safeguarding their business interest.

Challenges with synthetic/crude oil-based feedstock offers immense opportunity for biomass feedstock based products:

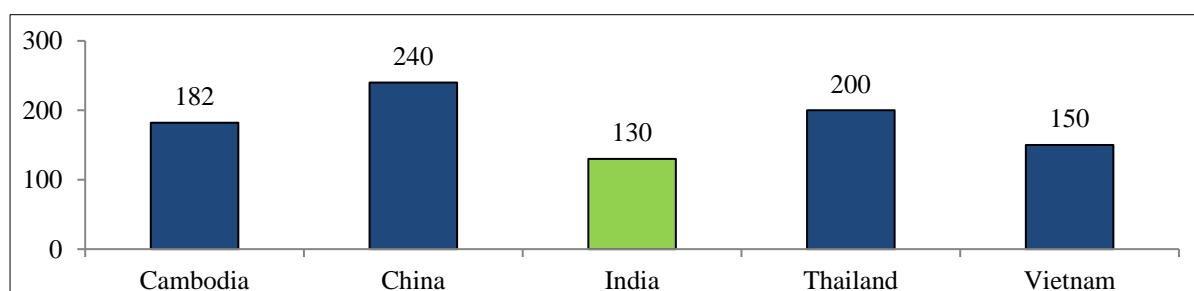
Majority of India's petrochemical building plants located over India's coastline it has easy access to petrochemical feedstock and major demand centres, both catered through ports. Owing to this supply mix there is shortage of Domestic Feedstock as majority of India's petrochemical building blocks are channelized towards bulk polymers, the other end-user segments have to predominantly rely upon imports for their feedstock requirements. This increases the complexities on the synthetic route of chemical manufacturing. Whereas in the case of biofuels, feedstock is any biomass destined for conversion to energy or biofuel. India has abundance of biomass available to be used as feedstock hence making it a lucrative market to operate in from a feedstock perspective. Godavari Biorefineries Limited has good access to domestic feedstock giving it an edge over other synthetic chemical manufacturer which face supply chain issues for feedstock and its rising prices.

The Rise of Environmental-friendly Specialty Chemicals in India

The concept of green chemicals in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability.

Cost and Availability of Skilled Labour in India

Average Monthly Minimum Wage (USD), 2019



India's minimum wages similarly vary across states and range from about USD 66 to USD 202. Mounting U.S. tariffs on Chinese goods over the past year have only strengthened the case for India as a cost-effective manufacturing alternative. And importers of labour-intensive products, like specialty chemicals, are in the best position to realize cost savings by moving to India.

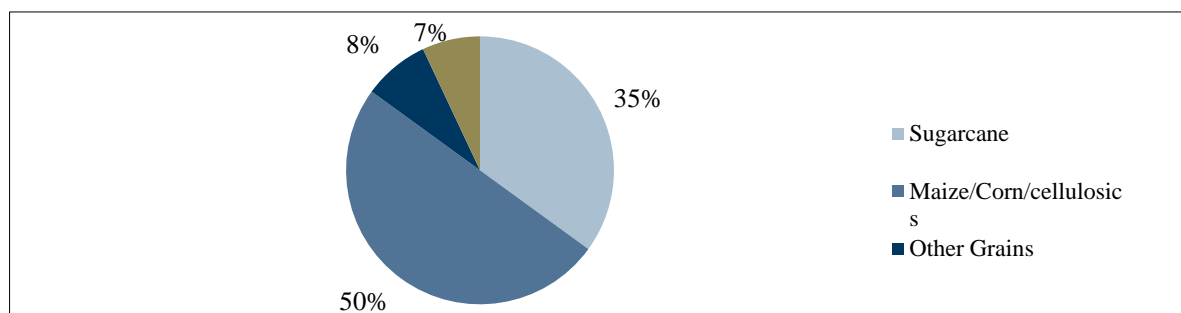
Ease of Business:

India's rank in the ease of doing business index has progressed due to the pro-business reforms which has put the country among top 20 'improvers' according to a list by the World Bank on top 20 economies that have improved the most on ease of doing business core. The country's ranking rose to 63 in 2020 from 130 in 2016. It improved its rank in 6 out of 10 indicators with the biggest change in the 'Construction Permits' and 'Trading across Borders'.

Overview – Global Chemicals

Biochemicals are chemicals that are derived from renewable sources, the alternative term used is bio-based chemicals. The bio-based chemicals market has been growing exponentially owing to the increasing need for environmentally sustainable solutions.

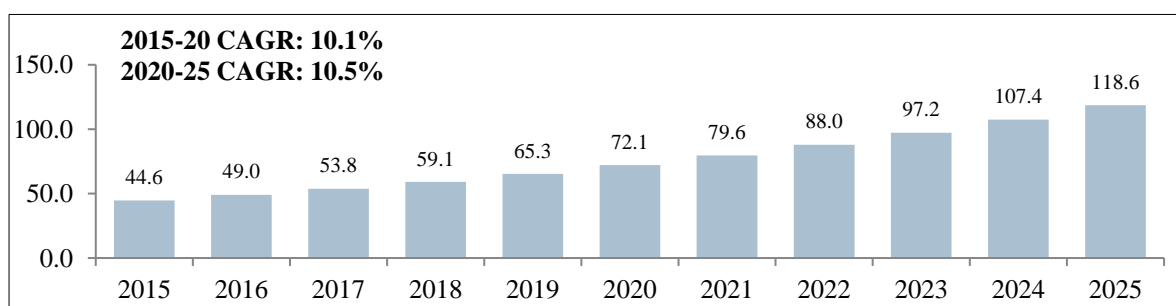
Global Bio-based chemicals split by feedstock, 2020, USD 72 Bn



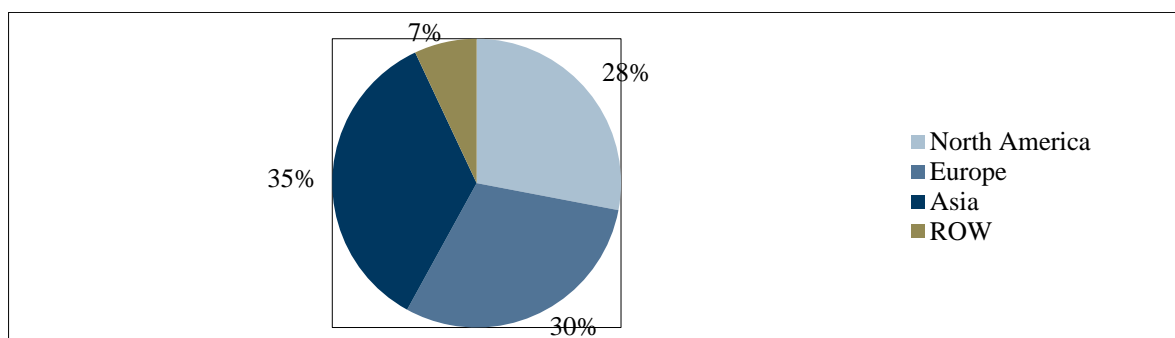
Global Market Overview

Market for bio-based chemicals in 2020 was valued at USD 72 billion growing at a CAGR of 10-12%.

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

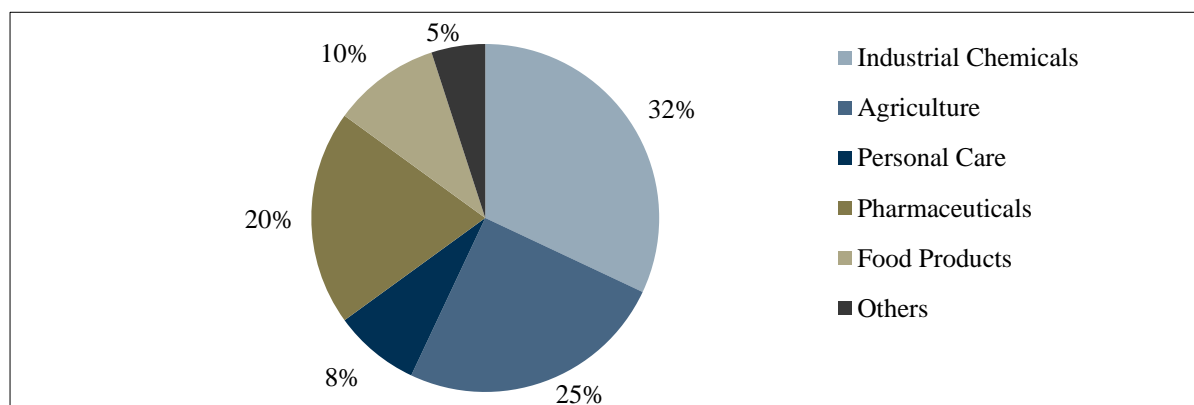


Global Bio-based chemicals split by region, 2020, USD 72 Bn



Asia-Pacific is the largest market, and the demand for bio-based chemicals in this region is growing substantially especially in areas of industrial chemicals and pharmaceuticals. Asia is more prominent and growing because of availability of raw materials and technological initiatives.

Global Bio-based chemicals split by application, 2020, USD 72 Bn



Key Drivers, Restraints and Challenges: Bio-Based Chemical Sector

Bio-based products a key focus of global majors:

Dynamic supply chain aspects: In many markets the feedstock for bio-based chemicals either compete with food or fuel and hence get more preference for these uses. Also for newer raw materials there is risk associated with availability and sustainable supply. Integrated bio refineries have better control of the supply chain dynamics and perform better.

Growing demand for natural products: There is a growing demand for natural products worldwide in personal care industry. People have easy access to information making it easier than ever to understand about the ingredient that go into the product they purchase and how and why ingredients work. From cruelty-free and vegan, to sustainably sourced and organic beauty ingredients, people also look for brands that align with their values. The growth of the natural skin care products is due to growing demand for clean label products, coupled with increasing number of health-conscious consumers.

High BCI natural ingredients demand: Growing consumer awareness within personal care end use segments for health, environmental & sustainable concerns is leading to usage of high BCI (bio renewable carbon index) molecules.

Sustainable sourcing: Across the world, companies are pressured to reduce their impact on the environment, with a special focus on climate change, biodiversity, and scarce resources. Consumers are paying increasing attention on sustainable sourcing and their product purchase decisions are based on it. The upcoming generation is extraordinarily focused on making sure that waste does not exist. All this make it necessary for company to procure sustainably keeping environmental, social, and corporate governance (ESG) under focus.

Ban on hazardous chemicals: Across the globe, governments are tightening the regulations on use of hazardous chemicals. Recently Hydroquinone was banned in US. In India, The Union Cabinet in October 2020 ratified the ban on seven chemicals that are hazardous to health and environment listed under the Stockholm Convention. Following such strict regulatory changes, the demand for green chemicals is expected to increase in the next decade.

Emerging technological innovations, people's inclination towards eco-friendly goods, and supportive government policies are driving growth in the demand for renewable chemicals. In addition, rising demand for ethanol and methanol, green packaging materials, and consumer goods packaging materials is expected to boost market growth during the forecast period.

Favourable government policies: growing environmental concerns with the dumping of non-biodegradable plastics in landfills and government regulations to ban conventional plastics are also contributing to bio-based chemicals market growth.

Overview – Biorefineries

A biorefinery can be defined as a unit that makes efficient use of biomass for materials, chemicals, fuels and energy applications, where use relates to cost economics, market demands, yield, environment, impact on environment, carbon balance and other social aspects.

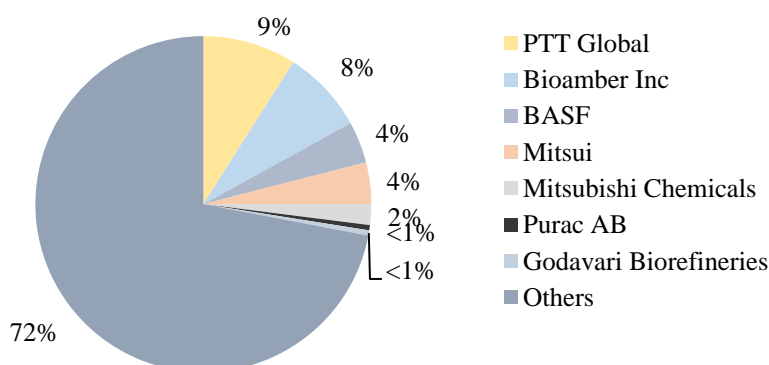
Biorefinery biomass resources are fractionated into their composing intermediates (such as proteins, sugars, oils and fibres/lignin's) that are further processed by biochemical/fermentation and/or thermochemical (catalytically supported) pathways to marketable bio-based products and bioenergy. The biorefineries globally can be classified as below:

Sugarcane based biorefinery: The use of sugarcane as feedstock for biorefineries is popularized by its potential to supply sugars, ethanol, natural polymers or macromolecules, organic matter, and other compounds and materials. By means of conversion processes (chemical, biochemical, and thermochemical), sugarcane biomass can be transformed into high-value bio-products to replace petrochemicals, as a bioeconomy model.

Whole crop Feedstock biorefinery: The whole crop biorefinery uses various kinds of the cereal crops like rye, wheat, triticale, stover, maize, and corn; these entire crops are used as a sole feedstock material. The whole crop biorefinery contains dry or wet milling process. The entire whole crop is utilized for the biorefinery purpose without creating the further waste.

Lignocellulosic based biorefinery: Lignocellulosic biorefineries producing biofuels and biochemicals are likely to play a significant role in the transition towards a fossil-free society. This is especially true for forest-rich countries such as Sweden, Finland, and Canada, where the prevalence of forestry and forest industries provides by-products (such as sawdust, bark, and harvesting residues), which could be a potential future feedstock for large-scale biorefinery deployment.

Global Bio-based chemicals, Competitor Market Share, 2020, USD 72 Bn



Godavari Biorefineries Limited's sugar mill is fully integrated and is among the top ten sugar complexes in India. Godavari Biorefineries Limited has the largest integrated bio-refinery in India. Godavari Biorefineries Limited is one of the largest producers of ethanol and a pioneer in manufacture of ethanol-based chemicals in India.

Overview – Domestic Biochemicals

India has a tremendous biomass potential which could easily be relied upon to fulfil most of our energy needs. An estimated 50 MMT (million metric tonnes) of liquid fuels are consumed annually in India, but with the actual biomass potential and its full utilization, India is capable of generating almost double that amount per annum.

With an increasing awareness of the ill-effects of certain chemicals on humans and the environment, there is a growing trend in the chemicals industry to shift towards "green" chemicals or more accurately sustainable chemistry. These are products which are bio-degradable and which show a significant reduction in environmental impact when applied.

Bio-chemicals is an emerging focus among manufacturing industries that minimizes pollution at a molecular level. The idea is that companies can adopt new natural products to minimize the toll their products take on the environment.

Growing policy measures to encourage green chemistry and business sustainability programs such as banning plastic bags in their regions and limits on the free distribution of disposable bags also lead to market growth.

Second Generation Ethanol Production

The Union government has allowed procurement of ethanol produced from non-food feedstock besides molasses like cellulosic and lingo-cellulosic materials including from the petrochemicals route. In view of the consistent under-supply of domestic ethanol from traditional sources, oil PSUs are establishing 12 2G (Second Generation) Ethanol bio-refineries across 11 states of the country namely, Punjab, Haryana, Uttar Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Karnataka, Odisha, Bihar, Assam and Andhra Pradesh. The approximate expenditure for raising each bio-refinery is around Rs. 800-1000 crore and it is expected that an amount of Rs. 10,000 crore will be spent by oil PSUs in setting up these 12 bio-refineries.

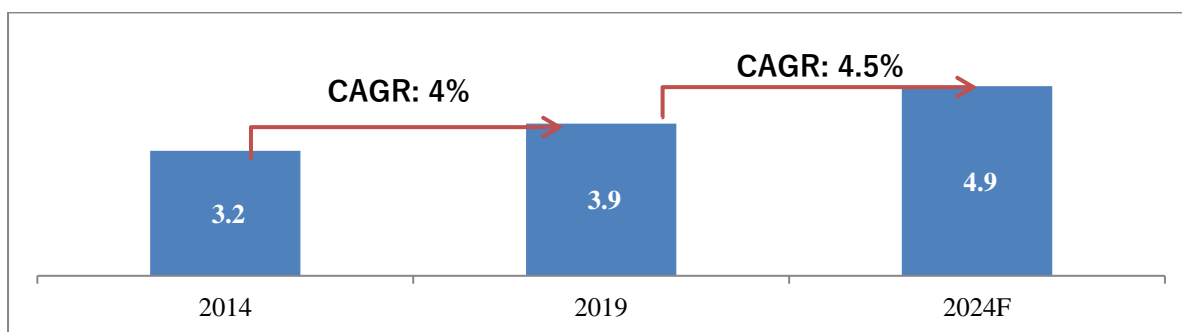
Second generation ethanol is based on bio-mass such as wheat straw, rice straw and crop stubble that can be converted into ethanol. It is more expensive than first-generation ethanol. However, by producing 2G ethanol, India can also address a major environmental issue like crop residue burning which is causing horrific pollution in cities like Delhi.

Overview – Ethyl Acetate

The global Ethyl Acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume. The global Ethyl Acetate market is projected to grow from 3.9 MMT in 2019 to 4.9 MMT by 2024F, pertaining to consumption led demand from APAC region. Higher evaporation rate of Ethyl Acetate solvent is preferred across many industrial solvent-based applications achieving drying in less time (e.g. flexible packaging inks, etc.) with a greener solvent.

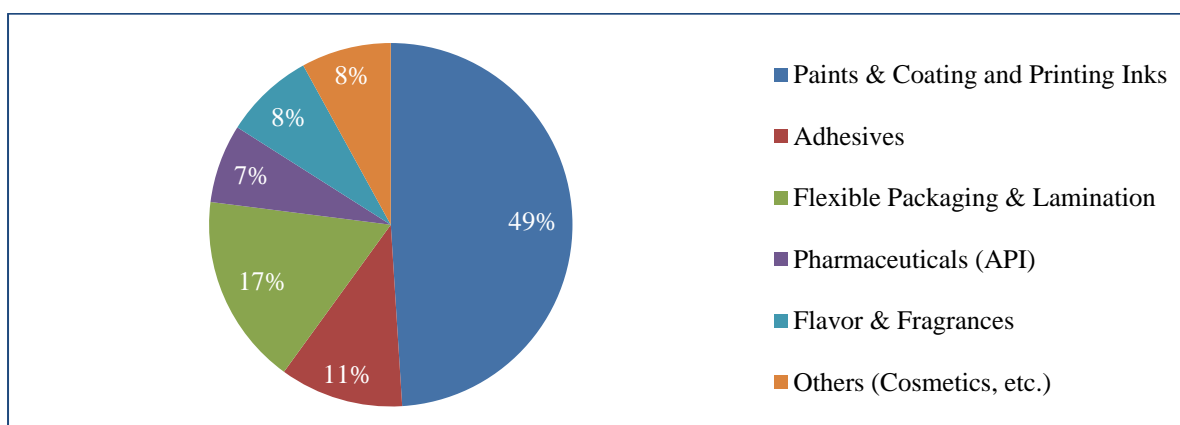
The global ethyl acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume and is projected to grow from 3.9 MMT in calendar year 2019 to 4.9 MMT by calendar year 2024. In terms of revenue, the global ethyl acetate market stands approximately at USD 3.5 billion globally and is expected to grow at 5.5% to 6% CAGR over the next half decade.

Global Ethyl Acetate market (MMT)



Global biobased ethyl acetate market size is driven by the need for sustainable and greener chemicals to meet ecological protocols. Much of the demand for biobased ethyl acetate is expected to be met by paints and coatings industry. Nearly over 35% of consumption comes from paints and coatings followed by adhesive and polymer manufacturing. The global biobased Ethyl Acetate is expected to grow at a CAGR of 12-14% from 2019 to 2024F, nearly 2.5x times growth as compared to synthetic Ethyl Acetate. Thus, Global biobased ethyl acetate market is estimated to take a considerable share from ethyl acetate total market moving towards sustainable growth, biobased ethyl acetate will take control as major share by 2027. The bio-based origin of Ethyl Acetate gives it a distinct identity and helps in gaining edge over traditional petro-chemically derived solvents.

Global ethyl acetate market by end-use application segments, 2019 (3.9 MMT)



Application	End User	Use	2019-2024 CAGR
Paints & Coatings and Printing Ink Industry	Akzo Nobel, Nippon paints, Jotun paints, Axalta, Sakata Inx, Flint Group, Hubergroup, Siegewerk, Toyo Inks, etc.	As Lacquer sandling sealer, glass wood lacquer, lacquer thinner, LP inks, quickset inks, heat-set & cold-set inks etc.	5-5.5%
Flexible Packaging & Lamination	Amcor, Uflex Ltd , Cosmo films ltd, Huhtamaki, Jindal polyfilms, etc.	As a media solvent / wrapper shining and protection	6.0%
Adhesives	Henkel, Arkema (Bostik), 3M, Sika, HB Fuller, Pidilite, etc.	For the production of glues etc.	5.5%
Pharma (API)	GlaxoSmithKline (GSK), Biocon, Mylan Pharma, Laurus Lab, etc.	In pharmaceuticals	6.5%
Flavours & Fragrances	Givaudan, IFF, Firmenich, Symrise, Keva industries, etc.	Extensively used in the preparation of synthetic fruit essences, flavours and perfumes	5.2%
Photographic Films & Plates	Kodak	For creating lustre in photographic films to last long	5.0%
Surface coatings & Thinners	Godrej, Schenectedy, Bakelite Hylam	Solvents for nitrocellulose lacquers, varnishes and thinners. Least toxic of organic solvents	5.1%
Home and Personal Care	Unilever, P&G, Colgate Palmolive, Henkel, SC Johnson	Growth in demand for personal care products is driven primarily by emerging markets in the Asia-	6-6.5%

Application	End User	Use	2019-2024 CAGR
		Pacific region, particularly China and India which are expected to grow at more than 10% CAGR. Sweet smell of ethyl acetate allows its extensive use in the personal care industry.	

Key Demand Drivers of the Global Ethyl Acetate Market

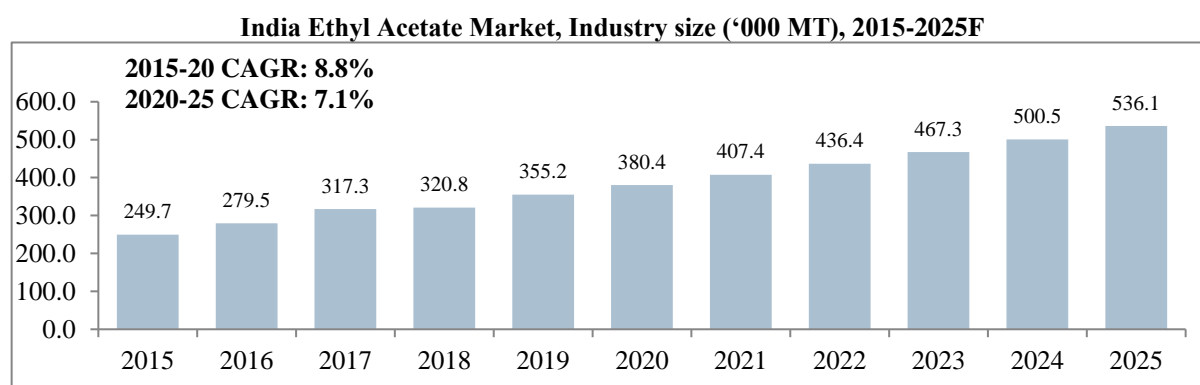
Increased demand from end-use segments: The flexible packaging segment is growing with ~12% CAGR (volume basis) in the next 5 years owing to strong demand from food packaging sub-segment.

Bio-based origin helping in 'green solvent' identity: Bio-based ethyl acetate is commercially manufactured using ethanol and acetic acid.

Optimal properties of the solvent (faster evaporation rate, ability to form azeotropes): Ethyl acetate has one of the highest evaporation rates among the solvents. The higher evaporation rate property helps ethyl acetate in reducing the drying time significantly compared to its peers. Moreover, it fits in solvent blend mixtures forming azeotropes with fellow solvent blends.

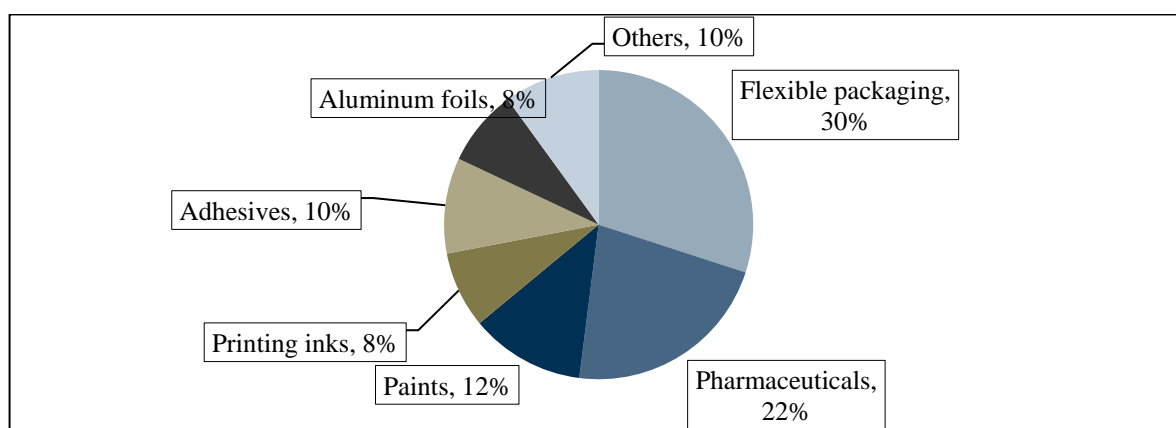
Overview – India Market

India is a net exporter of ethyl acetate, mainly exporting to EU, Middle East and Africa. Many Ethyl Acetate suppliers have backward integrated Ethanol production from molasses; such as Godavari Biorefineries Limited, Jubilant LifeSciences, Dhampur Alcochem, etc. Godavari Biorefineries Limited has the capability to manufacture bio-based ethyl acetate.

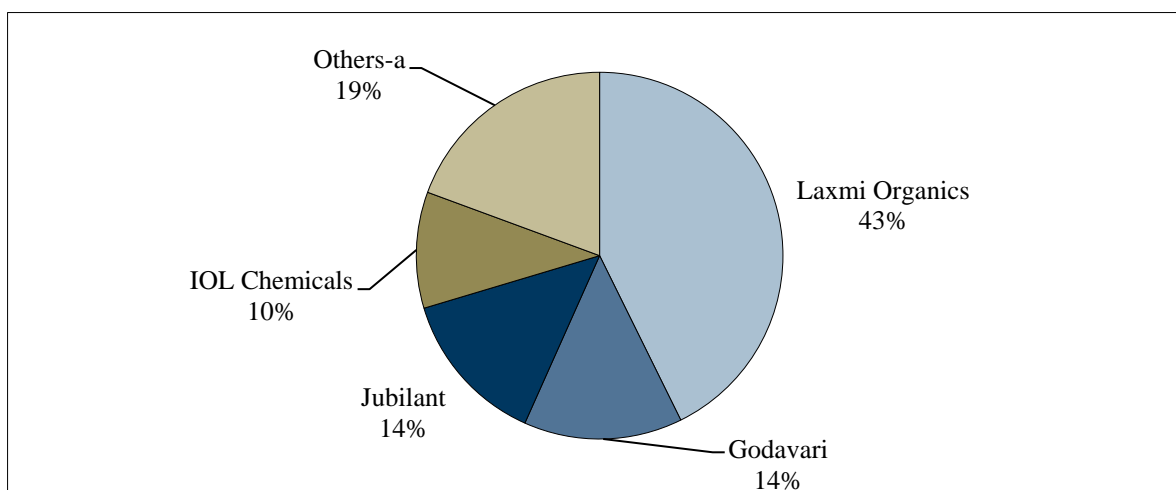


India Ethyl Acetate market is expected to grow at 7.1 per cent CAGR (realistic case) from 355 KT in 2019 to 500 KT by 2024. On the technology side, Bio-based Ethyl Acetate is expected to grow at a CAGR of 14-16% for the same forecast period.

India Ethyl Acetate Market, Application, 2020 (380.4 KT)



India Ethyl Acetate Market, Export by Company, 2020 (120 KT)



Competition Assessment

India Ethyl Acetate market capacity is ~655 KT with dominance of organized players in the market. Jubilant is the market leader, accounting for ~29% of India's capacity. Godavari Biorefineries Limited is the 4th largest manufacturer in India with a production volume of nearly 53 KT.

Key plant capacities of Ethyl Acetate in India:

Company	Plant Location	Capacity (KT)	Production (KT)	Utilization
Jubilant Life Sciences	Nira MS & Gajraula UP	150	118	79%
Laxmi Organics	Mahad, Maharashtra	127	104	82%
GNFC	Bharuch, Gujarat	55	63	114%
Godavari Biorefineries	Sakarwadi, Maharashtra	65	53	82%
IOL Chemicals	Barnala, Punjab	87	42	48%
Dhampur Alcochem	Bijnor, UP	50	24	46%
Yellowstone Chemicals Pvt. Ltd.	Maharashtra	40	20	50%
Satyam Petrochemicals	Karad, Maharashtra	50	19	39%
Ester India	Sahibabad, UP	12	9	79%
Others (Shatabdi, etc.)	Ghaziabad, UP, etc.	19	9	47%

Source: Frost & Sullivan

Proposed plant capacities of Ethyl Acetate in India:

Year	Company	Plant Location	Capacity (KT)
2022	Banstag Life Sciences	SASnagar, Punjab	9 (25 TPD)
2022-23	SHK Chemtech	Omerga, Osmanabad, MH	18 (50 TPD)

Godavari Biorefineries Limited is the fourth largest manufacturer of Ethyl Acetate in India with production volumes of 52.6 KT in 2020. Godavari Biorefineries Limited has Bio-based Ethyl Acetate which is a unique positioning for Godavari Biorefineries Limited. Godavari Biorefineries Limited is the only company in India which produces Bio Ethyl Acetate.

Growth Drivers:

Increased demand from packaging, pharma and paints, increasing popularity of bio-based products and excellent solvent properties are key drivers for the Ethyl Acetate business in India.

Increased demand from Flexible Packaging: Flexible packaging segment is growing with ~12% CAGR (volume basis) in the next 5 years owing to strong demand from food packaging sub-segment. This strong demand will have positive impact on the Ethyl Acetate business. Many companies are expanding their capacities in India to leverage upon the growing demand in India thereby creating a positive impact on the Ethyl Acetate market.

Few capacity expansions planned by key players in India flexible packaging space:

Company name	Expansion plan	Location	Comments
Cosmo Films (FY2022-23)	5,000 Tons/month (BOPET)	Aurangabad, Maharashtra	The Board of Directors of CFL has approved resuming further investment into the new line for Specialized BOPET Film at Aurangabad, Maharashtra, India which was on hold since November 2018. The revised project cost will be Rs.300 Cr.
UFLEX (2025)	INR 2,000 Crore infusion (bio-plastics)	Karnataka, India	UFLEX Group is planning to infuse Rupees 2,000 Crore in Karnataka, India for its biodegradable plastics manufacturing unit. Currently group is in the process of acquiring 55 Acres of land for plant & another 4 acres for accommodation of workers. Plant is said to be a zero waste unit.
Jindal Polyfilms (FY2022)	INR 700 Crore infusion (BOPP)	Uttar Pradesh, India	Currently, Jindal Polyfilms has installed a capacity of 2,51,000 TPA, which offers 7 to 70 microns of films in heat sealable and non-heat sealable segments.
Vacment India (FY21)	3,300 Tons/month (BOPP & BOPET)	Dhar, Madhya Pradesh	New expansion capacities are expected to total 130 KT BOPET & 120 KT BOPP films manufacturing. These capacities are expected get added in Second quarter of CY 2021

Growing market for flexographic and rotogravure printing market: Ethyl acetate has applications as a solvent in inks for flexographic and rotogravure printing. Owing to favourable market conditions of flexographic and rotogravure printing the demand for printing inks would increase thereby increasing demand for Ethyl Acetate.

Growing demand for relevant APIs: Ethyl Acetate It is used as an extraction solvent and intermediate in the manufacture of drugs such as sulphamethoxazole, rifampicin etc.

Globally sulphamethoxazole (also known as sulfamethoxazole) had sales of over USD 200 – 250 Mn in 2020 with a volumetric sales of more than 1,200 MT. The market for sulphamethoxazole is growing at a healthy rate of 4-6% globally.

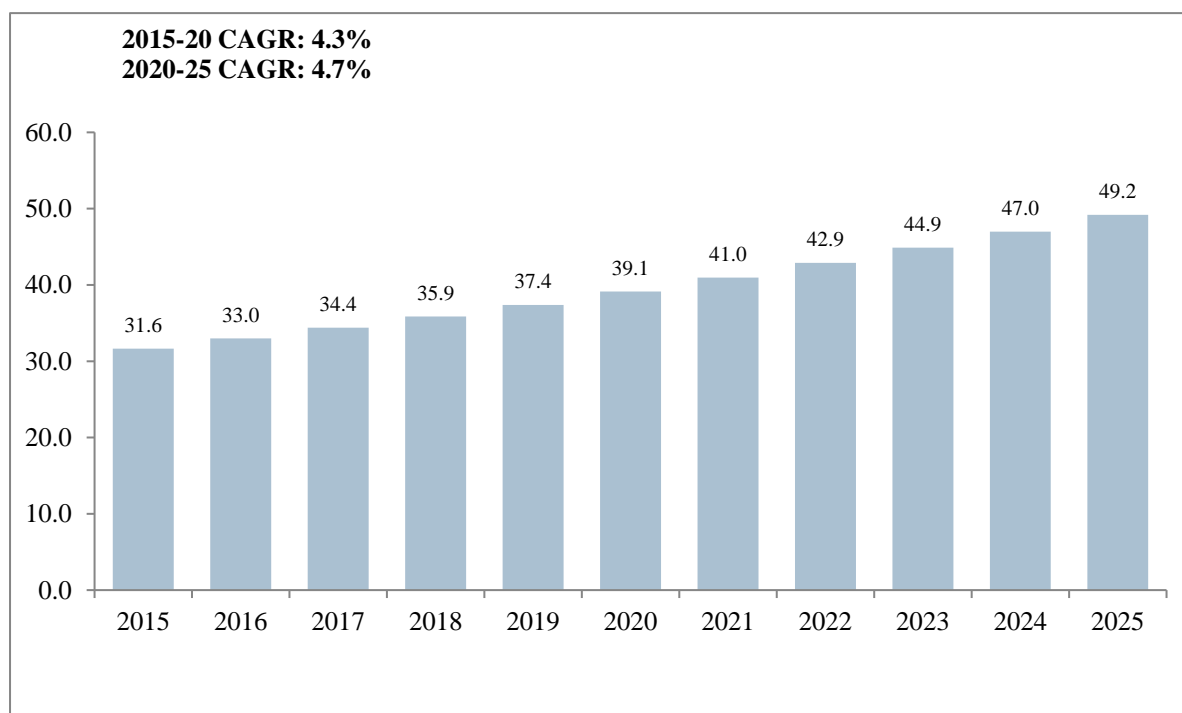
Rifampicin (also known as rifampin) clocked a revenue of ~USD 200 Mn. Global and India rifampicin market is expected to grow at a steady rate during the forecast period. Rifampicin is a semisynthetic antibiotic produced from Streptomyces, used to treat several types of bacterial infections. The India Rifampicin market is driven by increasing number of drug developments. Moreover, rifampicin is widely used to for the treatment of tuberculosis which is forecasted to positively influence the market growth. Ongoing research and developmental investments by key market players is further expected to boost the growth of India Rifampicin market through FY2025.

Bio-based origin helping in 'green solvent' identity: Precursor Acetic Acid is obtained by bacterial fermentation & Ethanol is obtained from molasses.

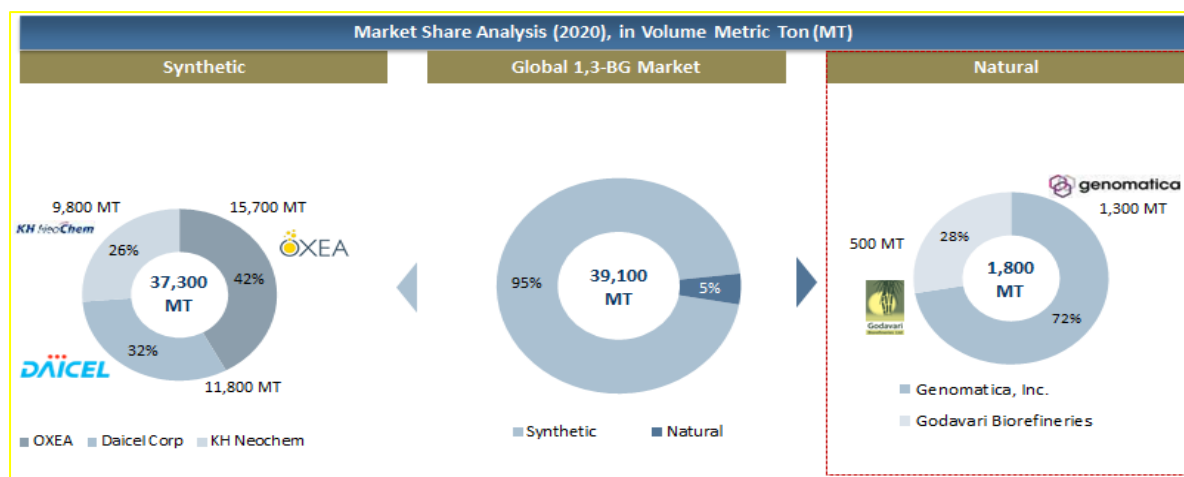
Market Overview – 1,3 Butylene Glycol

The global market size for 1,3-Butylene Glycol market is approximately 40,000 MT in 2020 valued at approximately USD 175 million.

Global 1,3-BG Market, Industry size ('000 MT), 2015-2025F



Natural 1,3-BG



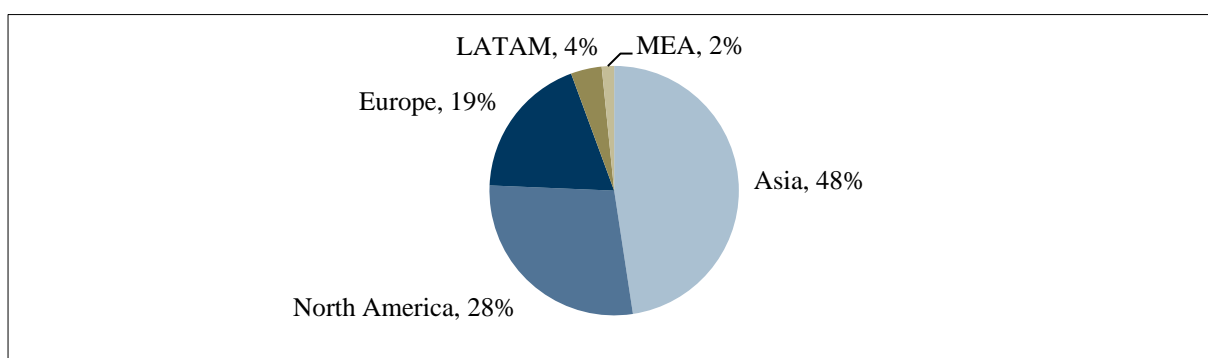
Synthetic products account for 95% of the total production with Natural products accounting for only 5%; however, the market for natural is expected to grow at a faster rate vis-à-vis synthetic. Globally there are only two manufacturers of Natural 1,3-BG comprising of Genomatica and Godavari Biorefineries Limited.

There is a growing demand for natural products worldwide in personal care industry. People have easy access to information making it easier than ever to understand about the ingredient that go into the product they purchase and how and why ingredients work. The growth of the natural skin care products is due to growing demand for clean label products, coupled with increasing number of health-conscious consumers in Asia Pacific region. North East Asia has the most sophisticated market for personal care products with highest per capital consumption of personal care products. More and more number of companies are experimenting natural products in their portfolio resulting this region accounting for the highest share in natural market and expected to have the highest growth rate as well. North America and Europe to follow NEA; APAC to have lower growth rate for natural product as the wave of shift to natural products in APAC is usually the last in the world.

Global Market – By Geography

APAC accounts for the largest share in 1,3-Butylene Glycol consumption accounting for 48% of the global market.

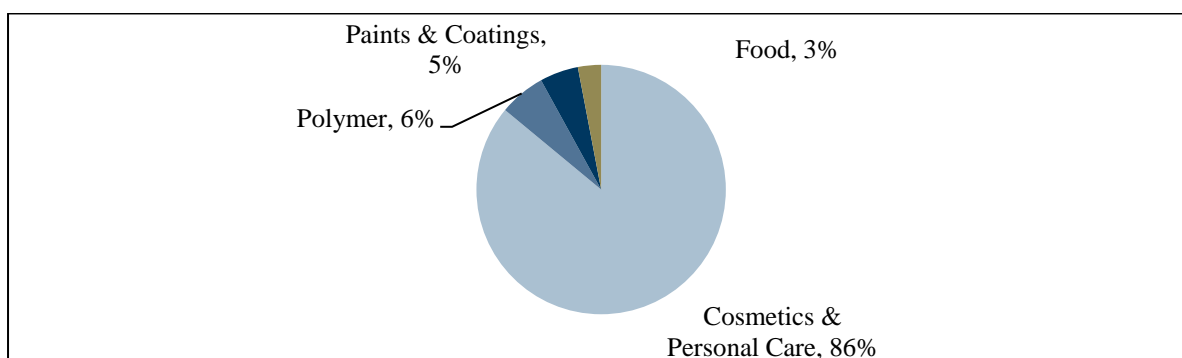
Global 1,3-BG Market, Geography, 2020 (39.1 KT)



Global Market – By Application

On an application front, Flavours and fragrances account for the largest share (~40) followed by its application as an intermediate (~30-35%) for pharmaceutical and agrochemicals application.

Global 1,3-BG Market, Application, 2020 (39.1 KT)



Cosmetics & Personal Care: 1,3 butylene glycol is majorly used as a moisturizer and viscosity decreasing agent by major cosmetic brands in the skin care products

Polymer: The major part of 1,3 Butylene Glycol is used as an intermediate for the production of plasticizers for polymers used.

Paints & Coatings: 1,3 butylene glycol is majorly used as a stabilizer in paints & coatings

Food: According to FDA, butylene glycol is allowed to be used as indirect food additives, for example, it may be used in polymeric coatings in contact with food.

Global Market – Competition Landscape (2019)

Company Name	Oxea	Daicel Corp.	KH Neochem	Genomatica	Godavari Biorefineries
Chemistry	Synthetic	Synthetic	Synthetic	Natural	Natural
Plant Location	Texas, USA	Japan	Japan	California, USA	India
Brand Name	-	-	-	Brontide	NaturoBG ®
Capacity (MT)	16,000	12,000	10,000	~2,200	530–550
Production (MT)	15,700	11,800	9,800	1,300	500
Market Share (%)	41%	30%	25%	3%	1%
Price Range (USD/MT)	4,000 – 4,400	4,800 – 5,400	4,200 – 5,000	n/a	4,800 – 5,700

Godavari Biorefineries offers Natural 1,3-BG at a very competitive price as compared to other synthetic providers and other Natural 1,3-BG provider.

India: Currently, there is only one manufacturer in APAC (Excl. Northeast Asia) – India which is producing limited quantities of 0.5 KT. Godavari Biorefineries Limited is manufacturing the product which is Natural 1,3-BG.

Globally there are only two manufacturers of Natural 1,3-BG accounting for 5% of the current market, however the growth potential of Natural 1,3-BG is estimated to be around 20-25% providing great opportunities to Godavari Biorefineries Limited. In India, Godavari Biorefineries Limited is the only sizable producer of Natural 1,3-BG and uses bio-based renewable resources as part of their production process. Godavari Biorefineries Limited's product is approved by ECOCERT GREENLIFE and conforms to the ECOCERT & COSMOS standards.

Global Market – Product Substitution

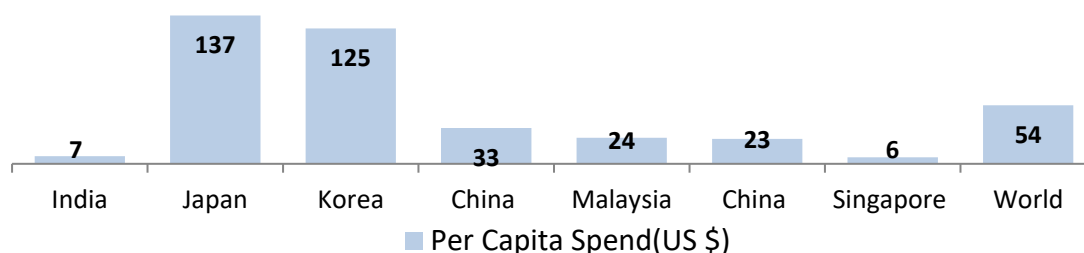
Consumer protection groups have raised concerns that PG can irritate eyes and skin, and is a known allergen to some. In fact, propylene glycol was even named the American Contact Dermatitis Society's Allergen of the Year in 2018. Owing to this many companies are shifting to better alternatives such as Butylene Glycol and Propanediol (1,3-propanediol).

Glycerol: 1,3 butylene glycol is a more efficient polyol as antimicrobial agent, in comparison to glycerol, and continue to be preferred over glycerol.

Global Market – Growth Drivers

Growing demand for cosmetics and personal care products: There is an increasing demand for Cosmetics & personal care products supported with increased disposable income is leading to more demand of such cosmetic products. Pharmaceutical and medical infrastructure in emerging economies of Asia Pacific such as China and India has developed rapidly due to a rise in the population and increase in disposable income. Hence, the 1,3-butanediol market in Asia Pacific is anticipated to expand at a rapid pace. A rise in demand for 1,3-butanediol from the pharmaceutical industry and rapid increase in the demand for cosmetic products are projected to drive the 1,3-butanediol market during the forecast period.

Per Capita Spend on Personal Care Products 2019, (USD)



Growing Demand for Natural Label Products

On a global level, there is a customer shift towards personal care products of natural origin, demanding greater transparency in products they purchase; "Natural" trend is the most important trend in the personal care industry. Shift towards mental and physical well-being through use of natural, organic, anti-fatigue, anti-pollution, anti-ageing products. Consumers feel label is important and would pay a premium for all-natural products. According to the Asia Cosmetics report, in 2017, globally 40% of the change in the buying decision of the consumers has inflected because of natural ingredient listing on the packaging. Globally, the organic product category experienced a growth of 20-25 % over past 4 years. Globally the demand of synthetic 1,3-BG is expected to be in the range of 4-5% whereas the natural 1,3-BG range is expected to grow by 20-25% each year. In India, the all-natural market is growing at 2.5x as compared to non-natural personal care market.

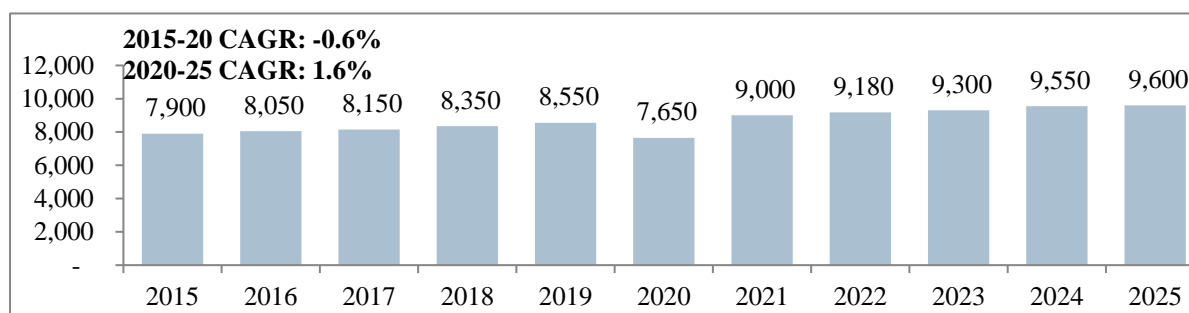
Industry Overview – MPO

Overview – India and Global Market

3-Methyl-3-penten-2-one (MPO) is an indispensable raw material for the synthesis of OTNE (octahydrotetramethyl acetophenone), a synthetic ketone fragrance known by commercial trade names such as Iso-E-Super, which is one of the most important ingredients in perfumes.

The market for MPO is estimated to be around 9,000 MT in 2021 with a forecast of nearly 1.5%.

Global MPO Market, Industry size (MT), 2015-2025F



Competition Analysis

Globally, India is the only country which manufactures MPO and supplies it globally or consumes it captive to produce downstream products.

Company	Plant Location	Production (MT)	
Godavari Biorefineries	India	3,800 – 4,000	Merchant sales
DRT Anthea	India	1,350 – 1,500	Captive consumption
Privi Organics	India	1,000 – 1,200	Captive consumption
Eternis	India	2,500 – 2,800	Captive consumption and merchant sales

Internationally IFF is the major company producing Tetramethyl acetyloctahydronaphthalenes (OTNE). MPO is a raw material to produce OTNE. Apart from IFF, Symrise GmbH and Takasago International Chemicals are some of the other importers of Godavari Biorefineries Limited's MPO. IFF consumes around 50% (3800-4000MT) of the total MPO market with the rest used up certain key players. There are other players in the market which consume MPO.

Godavari Biorefineries Limited is the largest manufacturer of MPO in world. It produces MPO with 99.7% purity which is used as a fragrance Intermediate. Moreover, Godavari Biorefineries Limited is the only company having its own acetaldehyde production among MPO manufacturers and Godavari Biorefineries Limited uses its own acetaldehyde for MPO production.

Drivers and restraints

OTNE is a complex aromatic organic compound. OTNE is a type of ketone with a woody odour. It is majorly consumed in various fragrances and perfumes as a base note material.

Strong growth in personal care and cosmetics industry from emerging economies: Increasing spending power and improving standards of livings in emerging economies such as India and China is creating growth opportunities for OTNE market. Increasing per capita income of the population along with improving standard of living in these countries is driving the demand for personal care and cosmetic products. This is expected to propel the demand for perfumery and fragrance ingredients from these countries. This is anticipated to drive OTNE market in coming years.

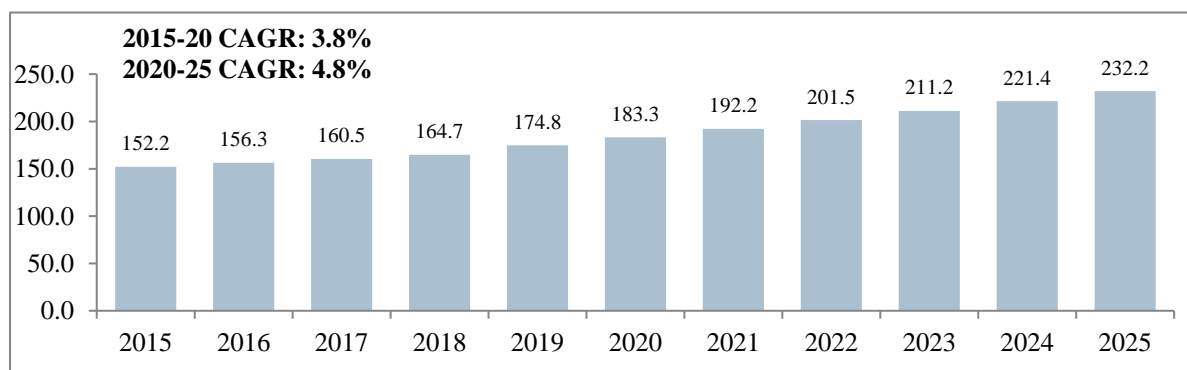
OTNE market trends: New developments and research: OTNE is a complex mixture of various isomers, and quantity of each component decides the smell of the end products. Market players are investing in research and development of new products with new combinations of isomers of Iso E super. Key players in the OTNE market are investing efforts to make their brands and trademarks recognizable throughout the world.

Stringent regulations and increasing competition to pose new challenges for industry players: Cosmetics and personal care industry is one of the highly regulated industry. The end use of the cosmetics and personal care products decides the regulations and standards for the products. OTNE finds application in various personal care and cosmetic products. Therefore increasing regulations and standards is creating new challenges for manufacturers of Iso E Super. Additionally new entrants in the market are making the competition intense by providing alternative products at lower prices. Increasing number of players in the market with new improved products is creating additional challenges in front of existing players in the market

Industry Overview – Ethyl Vinyl Ether

global market size for Ethyl Vinyl Ether market is approximately 40,000 MT with APAC being the largest consuming region. Flavours and fragrances account for the largest share (~40%), followed by its application as an intermediate (~30-35%) for pharmaceutical and agrochemicals application. The market in value terms is USD 183.3 Mn in 2020 and is expected to register a growth of 4.8% between 2020 and 2025.

Global Ethyl Vinyl Ether Market, Industry size (USD Mn), 2015-2025F

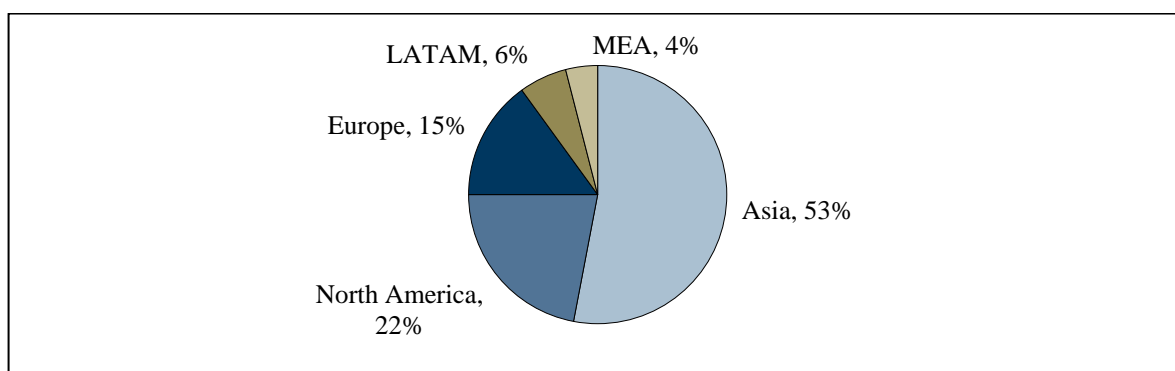


The market is expected to grow at 4.8% in value terms and nearly 4.1% in volume terms following its growing use as intermediates for pharmaceuticals and agrochemicals application and also its wide consumption as a flavour and fragrances ingredients. It finds application in pharmaceuticals as anaesthetics and analgesics. The Global anaesthesia drugs market is expected to witness a CAGR of 4.2% over the forecast period of 2020-2025.

Global Market – By Geography

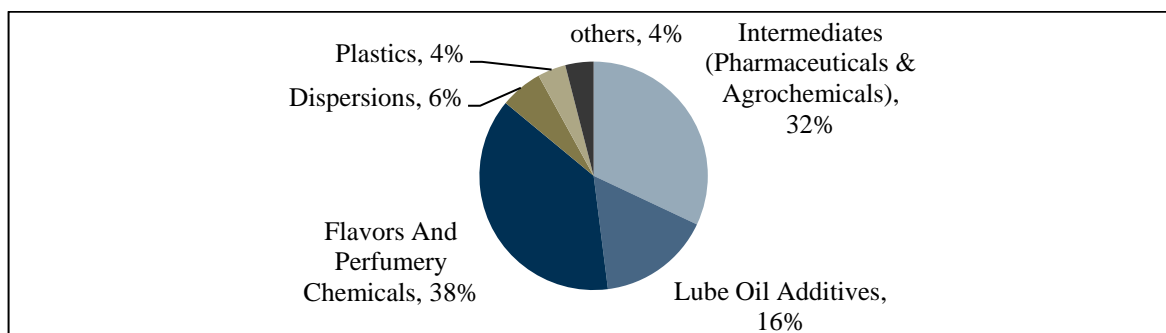
On a geographical front, APAC accounts for the largest share in Ethyl Vinyl Ether consumption accounting for 53% of the global market APAC is the major manufacturing hub for production of crop protection chemicals resulting APAC as one of the key consumption centers for Ethyl Vinyl Ether.

Global EVE Market, Geography, 2020 (USD 183.3 Mn)



On an application front, Flavours and fragrances account for the largest share (~40) followed by its application as an intermediate (~30-35%) for pharmaceutical and agrochemicals application.

Global EVE Market, Application, 2020 (USD 183.3 Mn)



Agrochemicals: Ethyl Vinyl Ether is used as an intermediate in producing a host of agrochemicals. Some of the application usage includes ketones, pyridine organic compound used as an insecticide, among others

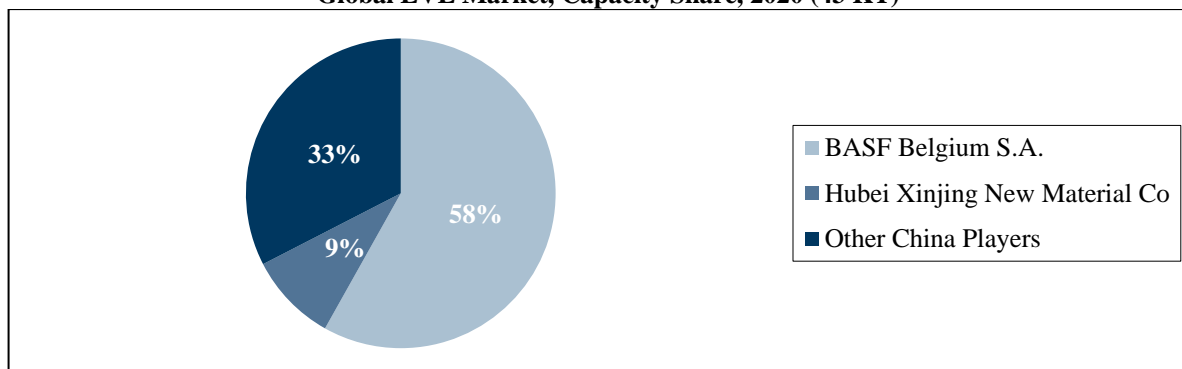
Resins: Ethyl Vinyl Ether is a co-monomer for fluoropolymer resins for highly durable coatings. It provides solubility, adhesion and crosslinking.

Polycinyl Ethers: As a co-monomer, Ethyl Vinyl Ether is used in the production for polyvinyl ether resins. These soft resins are saponification resistant and improve the adhesion and flexibility of printing inks.

UV Curing: It can also be used as monomer for polymerization, cross-linking monomers, and reactive diluents for UV curing.

Competition Landscape

Global EVE Market, Capacity Share, 2020 (43 KT)



Drivers and Challenges

Growing demand for anaesthesia drugs:

The global anaesthesia drugs market is expected to witness a CAGR of 4.2% over the forecast period of 2020-2025. There is a growing demand for anaesthesia drugs globally with APAC experiencing the highest growth for the drugs.

Growing demand for crop protection market:

Ethyl Vinyl Ether is used as an intermediate in producing a host of agrochemicals. Some of the application usage includes ketones, pyridine organic compound used as an insecticide, among others. The Crop Protection Chemicals Market was valued is expected to register a CAGR of 4.5% during the forecast period (2020-2025). The crop protection chemical industry has been transforming over the years, with robust growth and changing crop mix trends and environmental regulations. Growing population, declining arable land, food security, and the need for augmented agricultural productivity are the significant factors driving the demand for higher agricultural output, thus boosting the growth of the crop protection industry globally.

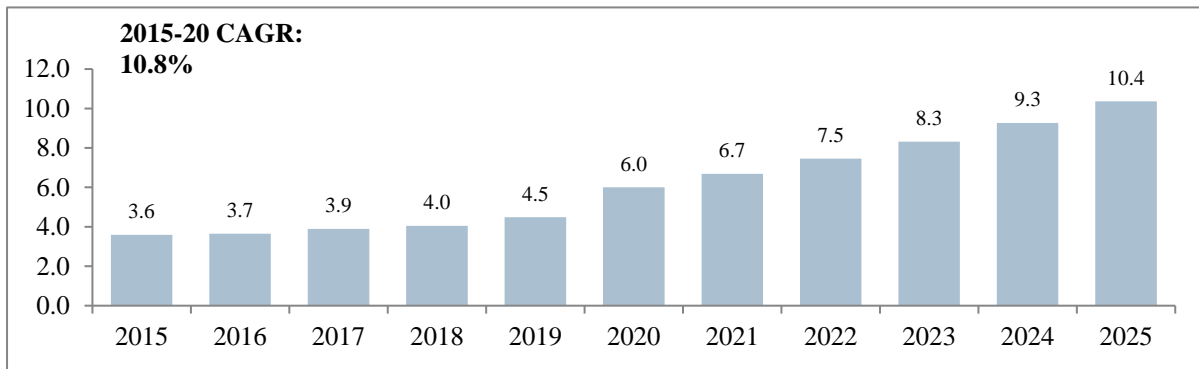
Growing demand for flavours and fragrances market:

The global flavours and fragrance Market in 2019 was approximately USD 19 billion. The market is expected to grow at a CAGR of 5% and is anticipated to reach around USD 26 billion by 2026. Global Flavors and Fragrance Market growing on the back of burgeoning demand from the food and beverages industry, rising disposable incomes and online sales, the rising consumption in the personal care and pharmaceutical industry, growing urbanization, rising retail sales and growing economic condition in developing regions. Growing demand of Flavors and Fragrance Market would result in growing demand for Ethyl Vinyl Ether.

Overview - India Market

The India market size for Ethyl Vinyl Ether market is approximately 1,250 MT. Indian market was nearly 950 – 1000 MT in 2019 which surged to nearly 1200 – 1300 MT in 2020. The rise in demand was mainly driven by growing demand from the agrochemicals division.

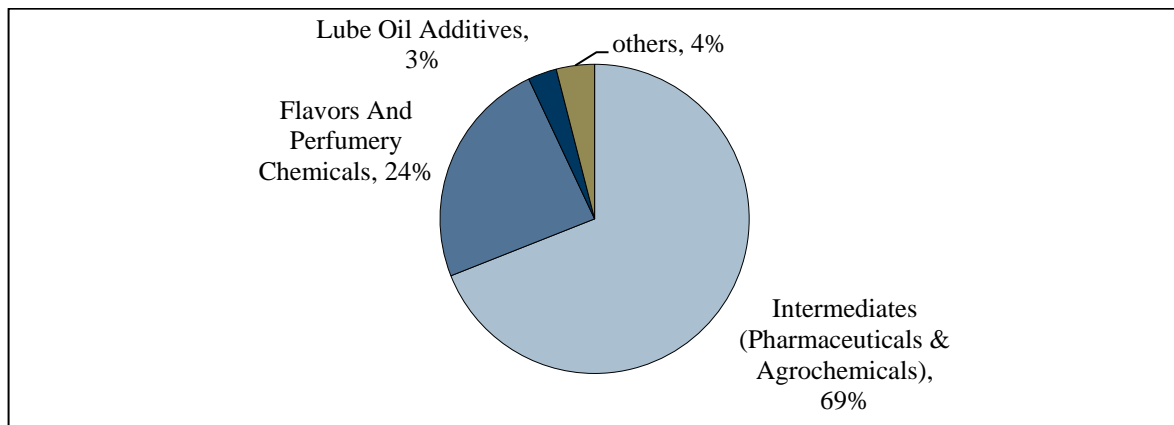
India Vinyl Ether Market, Industry size (USD Mn), 2015-2025F



India Market – By Application

Ethyl vinyl ether is used in fragrances and lubricating oil additives. Moreover it finds application in crop protection market. On an application front, EVE used as an intermediate for crop protection chemicals account for the largest share (~70%) followed by its application as an Flavours and fragrances ingredients (~25%).

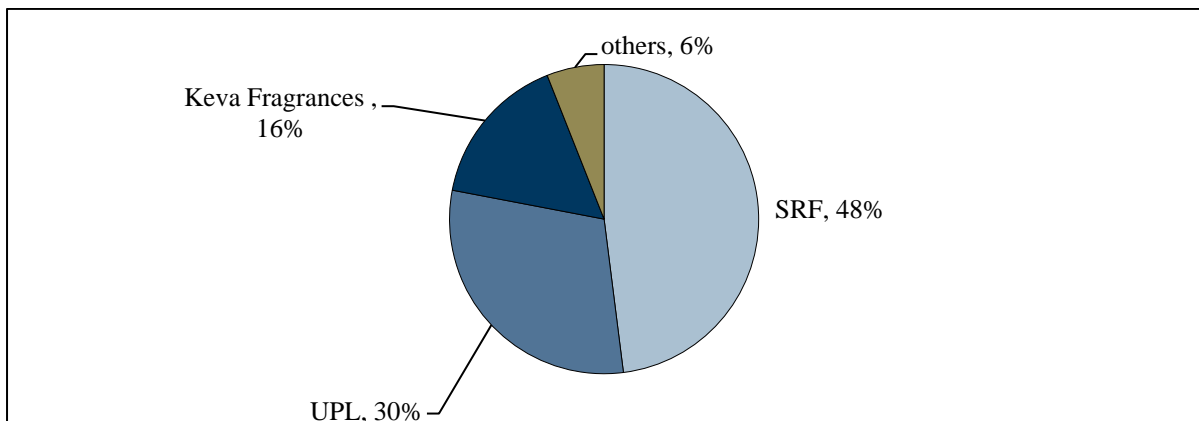
India EVE Market, Application, 2020 (USD 6.0 Mn)



India Market – Trade Scenario

no local production in India and all the material is imported in the country. The imports of EVE in India were nearly 950 – 1000 MT in 2019 and nearly 1200 – 1300 MT in 2020. Major customers of EVE are mentioned below:

India EVE Market, Customers, 2020 (USD 6.0 Mn)



Ethyl Vinyl Ether is largely sourced from China with average price ranging from USD 3,175 / MT to USD 4,500 / MT. Whereas products coming from Germany is priced at USD 4,900 – 5,000 / MT. As China has a cost advantage over Germany and India being a price sensitive market largely consumes China based products.

Industry Overview – Cellulose

Overview

Cellulose is a polymer with a linear structure made up of hundreds of glucose monomers linked together by -1,4 connections. It is the most plentiful solid material on the planet, as it is the primary constituent of wood (40-45%) and other plant-based products (up to 90%). Wood, cotton, flax, hemp, and jute are the most common sources of cellulose. Sugarcane is also one of the sources for cellulose. Chemically, sugarcane bagasse is composed of cellulose, hemicellulose and lignin.

The inherent properties of cellulose include good mechanical performance, hydrophile, and hygroscopic nature. Cellulose is utilized as either a pulp or a derivative. The pulp is mostly utilized in the production of paper and sanitary pads and diapers. The major cellulose derivatives, such as cellulose fibres, cellulose esters, cellulose ethers, and microcrystalline cellulose, are employed in a variety of applications and play different roles.

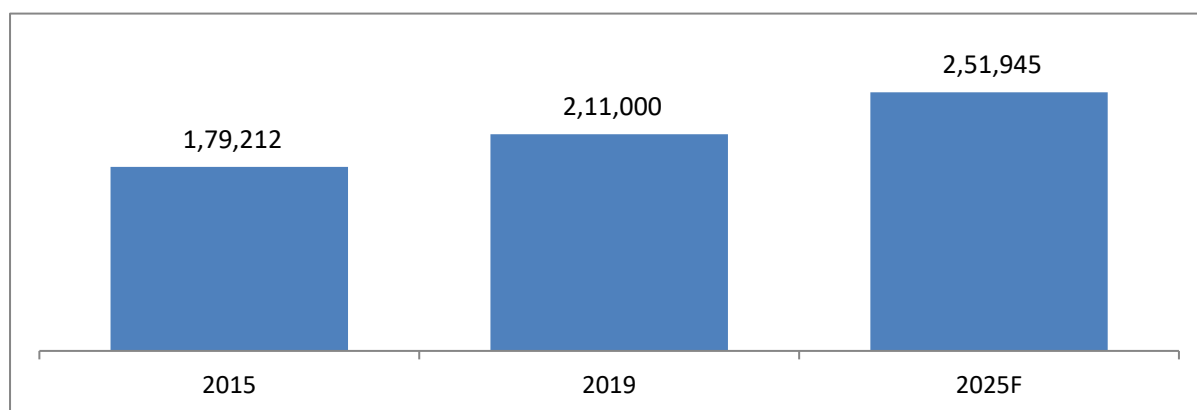
Chemical cellulose's expanding application scope in medicines is expected to boost market growth in the near future. Chemical cellulose has the potential to take over cotton's role in the textile industry. Cotton demand and supply have been diverging in recent years due to the textile industry's rapid expansion.

Traditionally, cellulose is extracted from wood through the Kraft pulping process, which involves the semi-chemical degradation of the lignin/hemicellulose matrix by treatment with solutions of sodium hydroxide and sodium sulfide at high temperatures and pressures.

Cellulose from sugarcane bagasse can be extracted by using either chemical or mechanical means. In some cases both of these (chemical and mechanical) methods are used in order to control the size as well as to improve the purity of the resulting product. A combination of mechanical shearing (or sonication) and controlled acid hydrolysis (or combination of acids) are often used to isolate the cellulose.

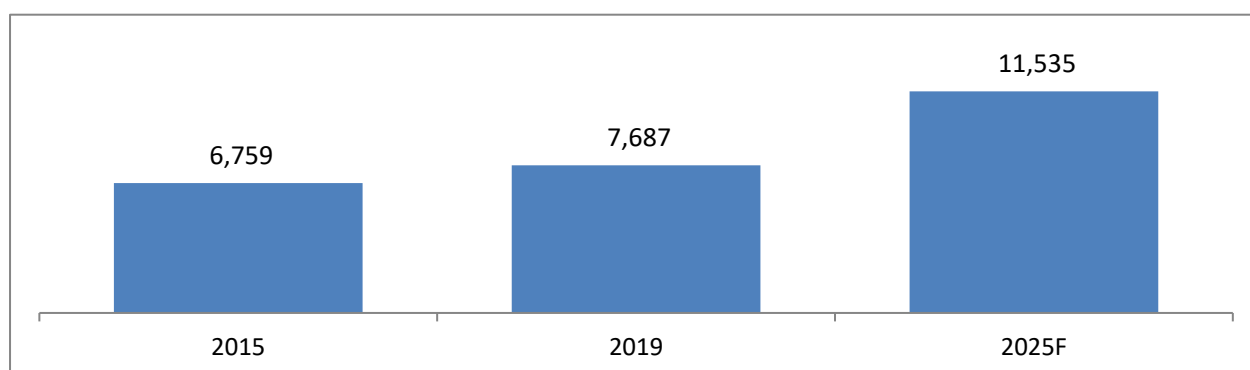
Cellulose market has been boosted by recent breakthroughs in fabrication technologies, recyclability, and expanding end-use options. The relevance of cellulose will grow in the future years as end-use industries shift away from petroleum-based products and toward sustainable raw materials. This reorientation by the end-use industries is expected to have a positive impact on the cellulose market.

Global Cellulose Market Overview (USD Mn)



The Global Cellulose market volume market stood at 47.39 MMT in 2020 and is projected to grow to reach 53.33 MMT by 2025.

India Cellulose Market Overview (USD Mn)

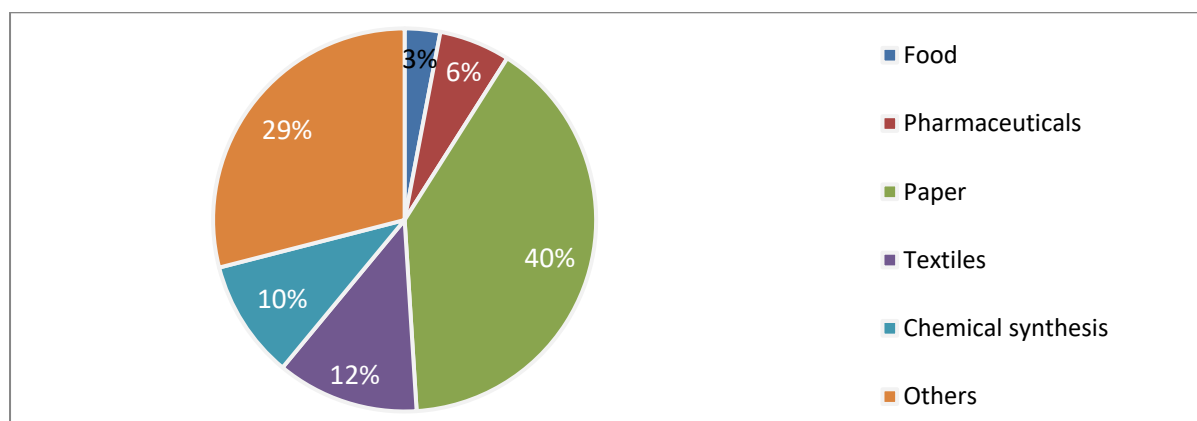


Key Application Analysis

The paper industry, followed by the textile sector, was the largest end-use industry for chemical cellulose. The chemical cellulose market is being driven by rising demand for chemical cellulose due to a lack of cotton supply, as well as expanding application scope in clothing, home furnishings, and non-woven items.

With an estimated production of around 15 million tpa, India accounts for around 3.7 percent of global paper output. The paper industry has a market of over 17 million tons of paper and is growing at a rate of roughly 7% per year. Meanwhile, the paper industry's yearly turnover is anticipated to reach Rs 60,000 crore, with a contribution to the exchequer of roughly INR 4,500 crore.

India Cellulose Market By Applications, 2019, USD 7,687 Mn



Growth Drivers

India's per capita paper consumption is currently at 13 kilograms, compared to 57 kilograms globally. This is expected to rise to at least 17 kilograms by 2024-25, propelling India's cellulose sector forward.

Chemical cellulose's expanding application scope in medicines is expected to boost market growth in the near future. Chemical cellulose has the ability to replace the application of cotton in the textile industry. Cellulose fibres are a viable alternative to synthetic fibres in the production of nonwovens like wet wipes and tissues. Natural fibres are currently used in around 10% of nonwoven goods. Rayon (viscose) and lyocell fibres are examples of traditional cellulose-based textiles.

The domestic textile and apparel market in India is valued USD 106 billion at the moment. By 2025-26, it is predicted to increase at a CAGR of 12%, reaching USD 220 billion. India's textile exports totalled USD 38.70 billion in FY19 and USD 11.98 billion from April to July 2019. Since cellulose finds its major application in the textile sector after paper sector the high growth forecast is expected to drive the demand for cellulose in India.

The food and beverage industry is expected to witness strong growth over the forecast period owing to its increasing usage as a texturizer, anti-caking agent, emulsifier, bulking agent, and fat substitute.

The traditional viscose production process has a chemical and environmental burden, which would be reduced with the development of novel production processes such as cellulose carbamate (CCA), and biocelsol. These processes provide better sustainability and develop high-performance fibres that can compete with synthetic fibres. In addition to this, synthetic fibres face consumer concern regarding the generation of plastic waste and, thus, are expected to be replaced by the natural fibres in the near future.

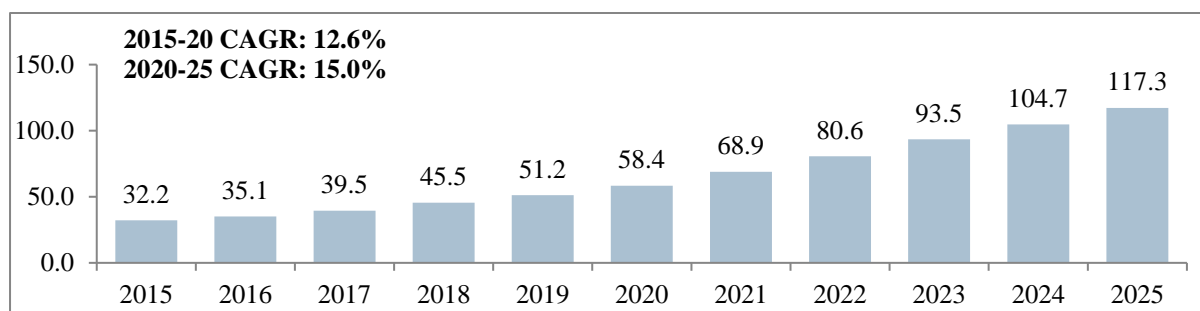
The rising consumer awareness regarding the sustainability and waste issues created by synthetic fibres shall further fuel the demand for cellulosic (cellulose-based fibres). Additionally, cellulose is considered as the sustainable plastic of tomorrow due to its property of forming bio composites with thermoplastics. The usage of these composites is being encouraged by both governments as well as large enterprises to create strong yet sustainable products.

Overview – Micro Crystalline Cellulose Industry

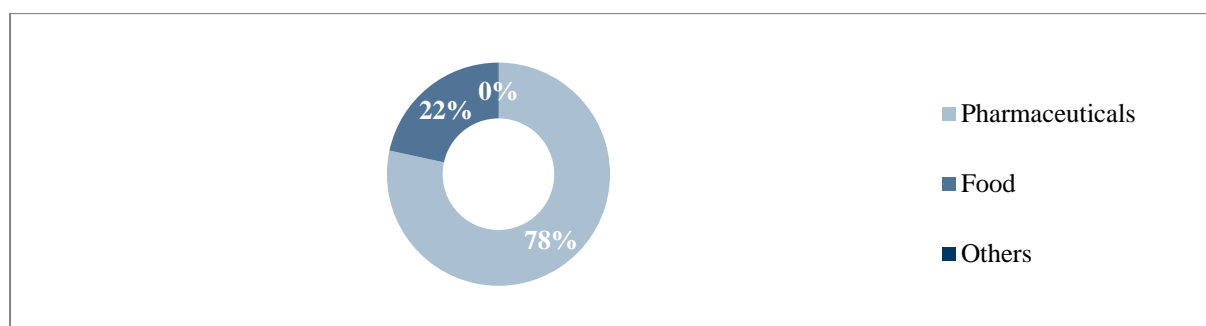
Overview – India Market

The India MCC market was around 58.4 KT in 2020. MCC demand in India is expected to reach 117.3 KT by 2025; however, shortfall in supply is expected as there are no new announced capacities or expansions planned by existing manufacturers. Hence, India is still expected to be import dependent in the future.

India MCC Market, Industry size (Mn MT), 2015-2025F



India MCC Market by Application 2020 (58.4 Mn MT)



Pharmaceuticals: Microcrystalline cellulose is a commonly used excipient in the pharmaceutical industry. It has excellent compressibility properties and is used in solid dose forms, such as tablets, and is the most widely used direct compression excipient, acting as a strong dry binder, tablet disintegrant, absorbent, filler or diluent, lubricant, and anti-adherent.

Food: MCC demand in food application registered higher than industry growth at a CAGR of ~13%. Food application accounts for a share of 22% in total MCC demand. High growth has been attributed to Increased investment in processed foods (especially products having health benefits) and transformation of sectors such as dairy and bakery from highly unorganized to well-organized

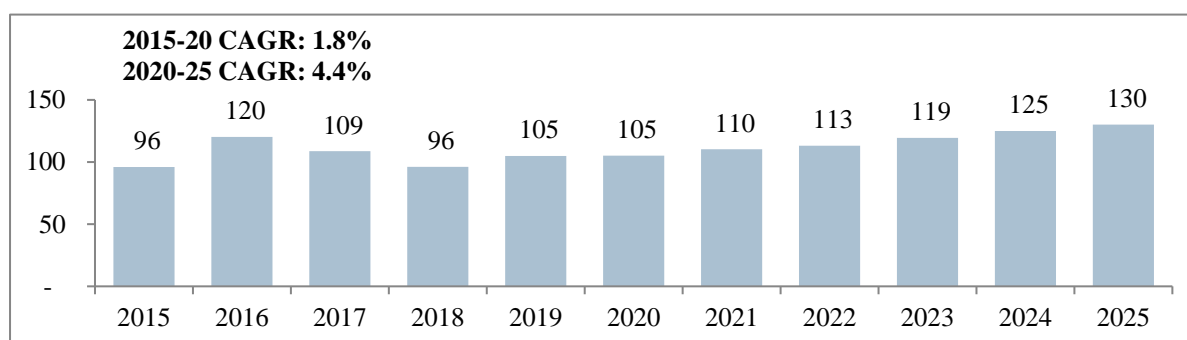
Other Applications: Sectors such as personal care, constructions, paints, welding electrodes, among others are quite niche applications having high growth performance. Historically this segment grew by 50+% CAGR. MCC in personal care is used as an abrasive, absorbent, anti-caking agent, bulking agent, emulsion stabilizer, slip modifier, and an aqueous viscosity increasing agent in bath products, hair products, eye and facial makeup, skin care products and shaving products.

Industry Overview – Crotonaldehyde Market

Global Market Overview

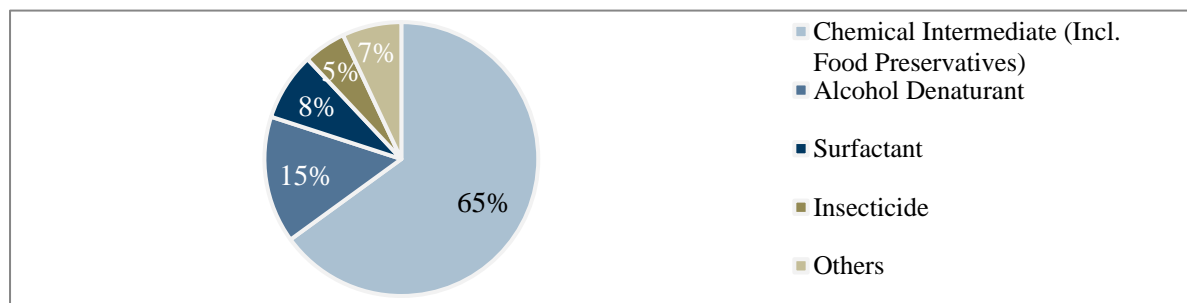
Global Crotonaldehyde Market, Industry size ('000 MT), 2015-2025F

Crotonaldehyde is an organic chemical compound which is usually sold as a mixture of the E- and Z-isomers, which differ with respect to the relative position of the methyl and formyl groups. Owing to solid bond within C-4 chain crotonaldehyde is effectually used as a starting product in many organic reactions and synthesis.



The worldwide market for Crotonaldehyde is expected to grow at a CAGR of roughly 4.4% over the next five years, and will reach 130 KT in 2025, from 105 KT in 2020.

Global Crotonaldehyde Market By Applications, 2020 (105 KT)



Food Preservatives: In the food industry, it is applied as a preservative and additive. Crotonaldehyde is a key raw material used in the production of sorbic acid which acts as a food preservative. The rising demand for sorbic acid is expected to promote growth of the global crotonaldehyde market.

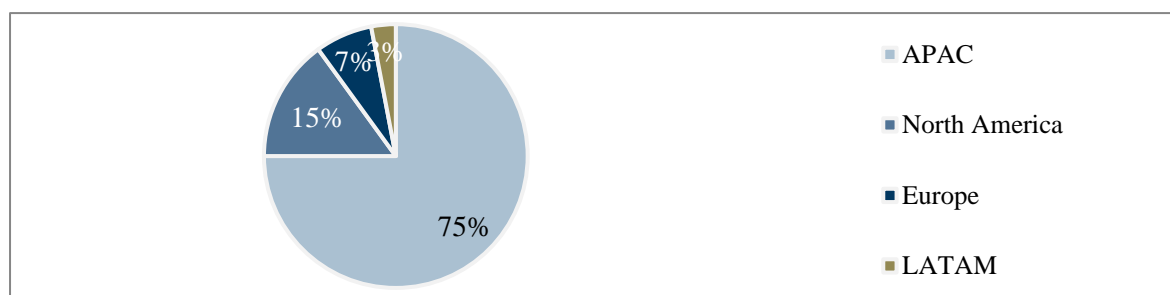
Chemical Intermediates: Crotonaldehyde is used as a precursor in organic synthesis. Crotonaldehyde acts as an effective solvent for several vegetable and mineral oils, fats, waxes, natural and synthetic resins as well as elementary sulfur. The aforementioned factors make it an ideal component for usage in the production of several chemical additives.

Crop Protection: Crotonaldehyde is used to manufacture pesticides that help produce organic food. Crotonaldehyde is a bio-based pesticide with properties such as non-toxicity and eco-friendliness. With increasing demand for organic food, the demand for organic pesticides is likely to increase. This, in turn, is expected to augment the market for crotonaldehyde during the forecast period.

When crotonaldehyde reacts with urea it results in the formation of crotonaldehyde urea, which finds wide-scale application as slow-release fertilizers.

Other applications:

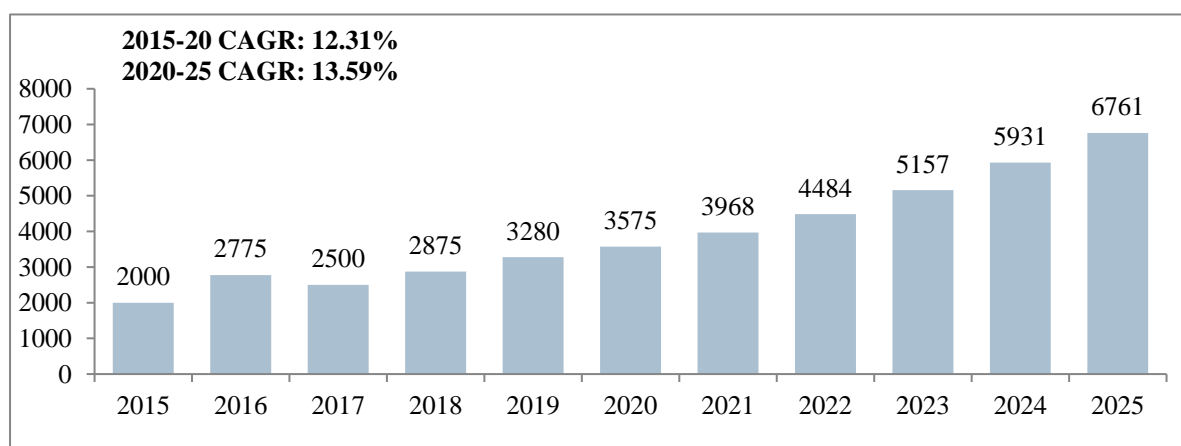
- In the polymer industry, crotonaldehyde is employed as a binding agent;
- Crotonaldehyde is also used in the creation of thiophenes quinaldines, pyridines, pharmaceuticals, dyes and pesticides;
- Crotonaldehyde is used as a flow-promoting agent and comonomer for alkyl resins;
- Crotonaldehyde is used as a warming agent in fuel gases and as a solvent in organic synthesis;
- Crotonaldehyde finds application as a stabilizer for tetraethyl-lead, in the preparation of rubber accelerators and in leather tanning applications; and
- It is also used as alcohol denaturant.



Overview – India Market

India, with an estimated annual production of more than 3000 MT and imports of 300 - 400 MT in 2020, the Indian market is around 3.5 KT. The exports are minimal.

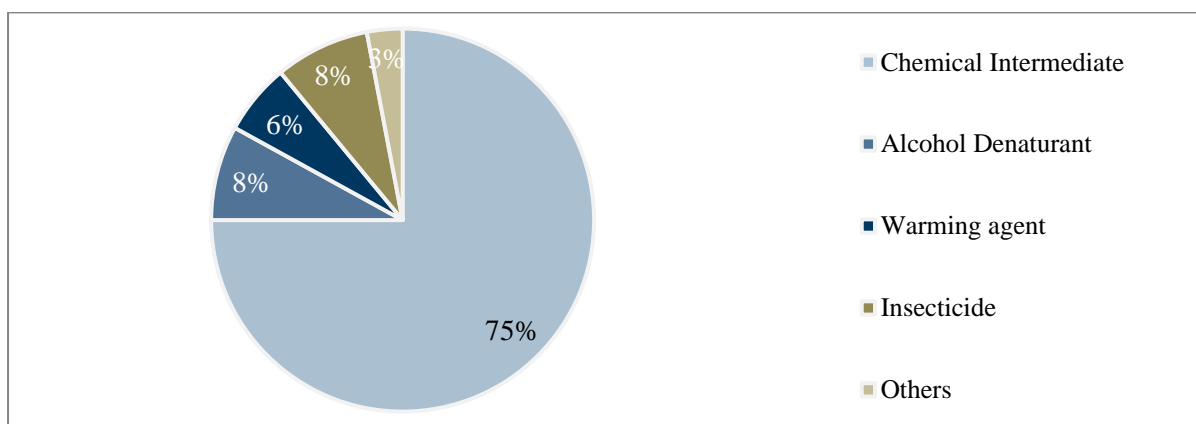
India Croto Market, Industry size (MT), 2015-2025F



Market by Application

From an application perspective, pesticides and agrochemicals is the major application of Crotonaldehyde in India. Indian sorbic acid market was estimated volume as < 2.5 KTA in 2020. India is purely an import-driven market for sorbic acid which is primarily used in food and beverage industry. Hence application of Crotonaldehyde in preservative market is negligible.

India Crotonaldehyde Market By Applications, 2020 (3.5 KT)



Competition Analysis

There is only one manufacturer in India which is involved in manufacturing of Crotonaldehyde. Godavari Biorefineries Limited is the sole manufacturer in India and it produces Crotonaldehyde by the aldol condensation of acetaldehyde.

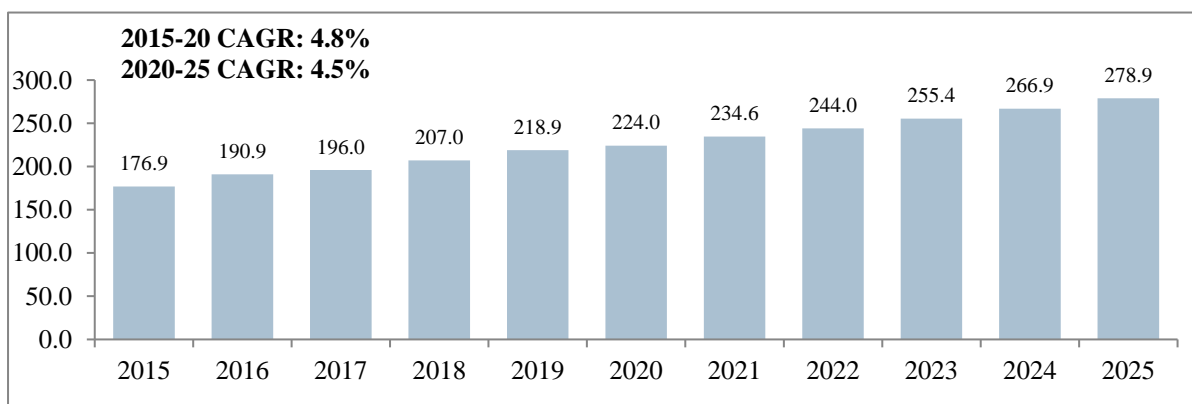
Crotonaldehyde - India Scenario (Capacity & Production)			
	Company Name	2015	2020
Capacity (MT)	Total	3,000	6,000
	Godavari Biorefineries Ltd	3,000	6,000
Production (MT)	Total	1,680	More than 4,000
	Godavari Biorefineries Ltd	1,680	More than 4,000

Industry Overview – Xylitol

Overview – Global Market

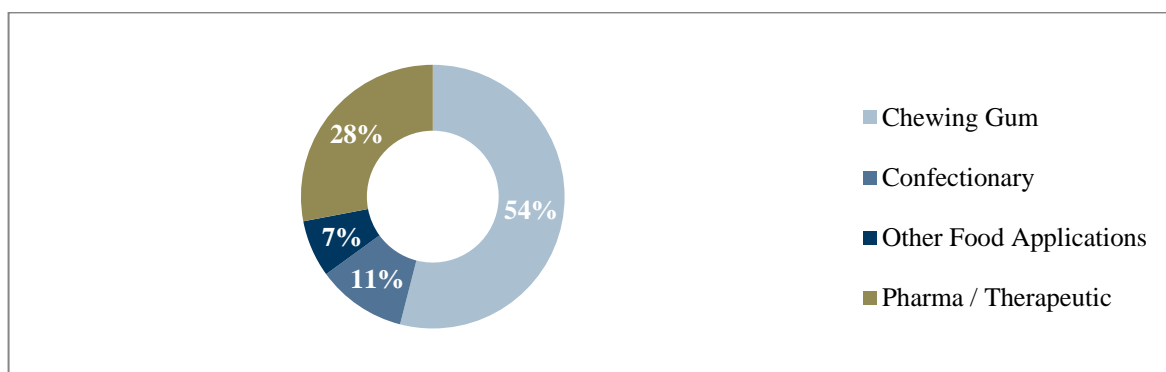
Xylitol is widely approved for use in food around the world. It is also extensively approved for use in oral hygiene products, pharmaceuticals, cosmetics, and toiletries. The global market for Xylitol is around 224 KT in 2020. There has been an increase in awareness among consumers about calorie intake owing to the rising prevalence rate of several lifestyle diseases such as cardiovascular problems, high cholesterol and obesity. This acts as a primary factor which is driving the growth of the global xylitol market.

Global Xylitol Market, Industry size ('000 MT), 2015-2025F



Xylitol demand to increase at 5.9% over the next five years; Chewing gum and Confectionery segment expected to register higher than industry growth of 6.8% and 6.0%, respectively.

Global Xylitol Market by Application, 2020 (224 KT)



Demand Drivers

Growth in Chewing Gum Sector: Xylitol was introduced in chewing gums to fight against tooth decay. The bacteria responsible for cavities cannot metabolize xylitol and therefore cannot multiply at the same rate as when fed sugar. The usage of xylitol in chewing gum is the maximum and is a true representative end application of the growth in use of xylitol over the past two decades.

Growth in Confectioneries Sector: Another end use application for xylitol is confectioneries, where it is used in cakes, pastries, coated nuts, chocolate bars, donuts and cookies. These products are gaining popularity with the shift in consumer behaviour to opt for low-cal diet.

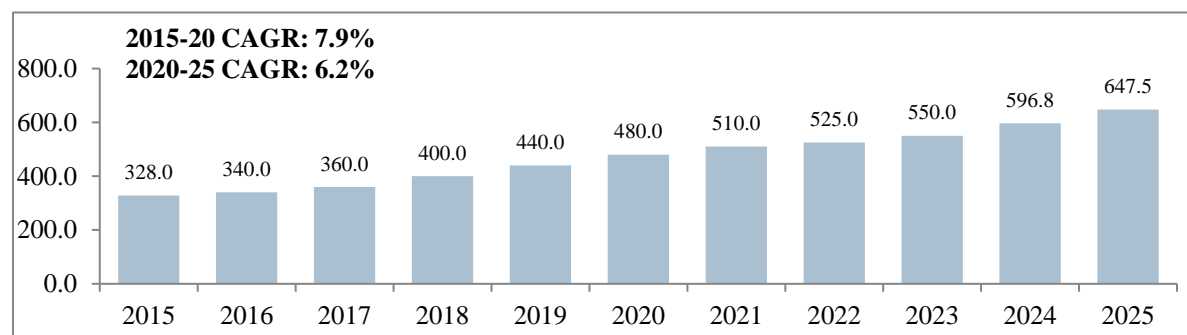
The global confectioneries market is expected to grow at a steady pace of 3.4% CAGR owing to high demand from middle class customers.

Growth in Oral Care Sector: Use of Xylitol based toothpastes are popular in USA and Western EU, with regular use of Mouthwash, also popular in LATAM and APAC. Xylitol, with its anti-tooth decay properties is the market leader in the sweeteners used in dental care application.

Overview – India Market

India, with an estimated annual import of ~360 MT in 2018, is import dependent with no local production of xylitol. Indian Technical grade Xylitol demand is completely catered by imports, from China, Roquette and Danisco Singapore.

India Xylitol Market, Industry size (MT), 2015-2025F

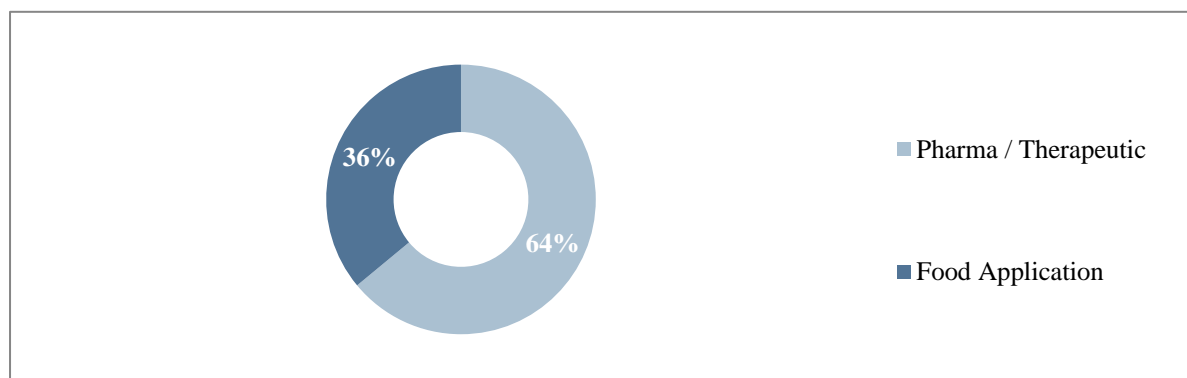


India is a very price sensitive market. Manufacturers prefer to use Sorbitol as it is one-fourth the price of Xylitol. India, home to the largest number of diabetic people in the world, has a lot of demand for sugar alternatives. However, being a price sensitive market, has accepted sorbitol in the place of Xylitol. Xylitol is expected to grow owing to growth in oral care applications and general awareness of consumers to shift to alternative natural sweeteners. Xylitol is expected to grow at a CAGR of 6.2% of the next 5 years and reach a demand of 648 MT by 2025.

Market by Application

Unlike global where 70% of global xylitol produced is used in the food industry, India has a different application split with pharmaceutical application holding a share of nearly two-third of the market with food application accounting for slightly more than one-third.

India Xylitol Market by Application, 2020 (480 MT)



China is the major exporter of Xylitol to India with nearly 60% of imports originating from China. The average price of imports from China is USD 4.2 / Kg. The prices in China back in 2015 were nearly around USD 2.8 / kg, however, However due to environmental issues in China coupled with growing demand for natural sweeteners created a supply crunch leading to Xylitol prices increasing by almost 35-40 % in the past couple of years.

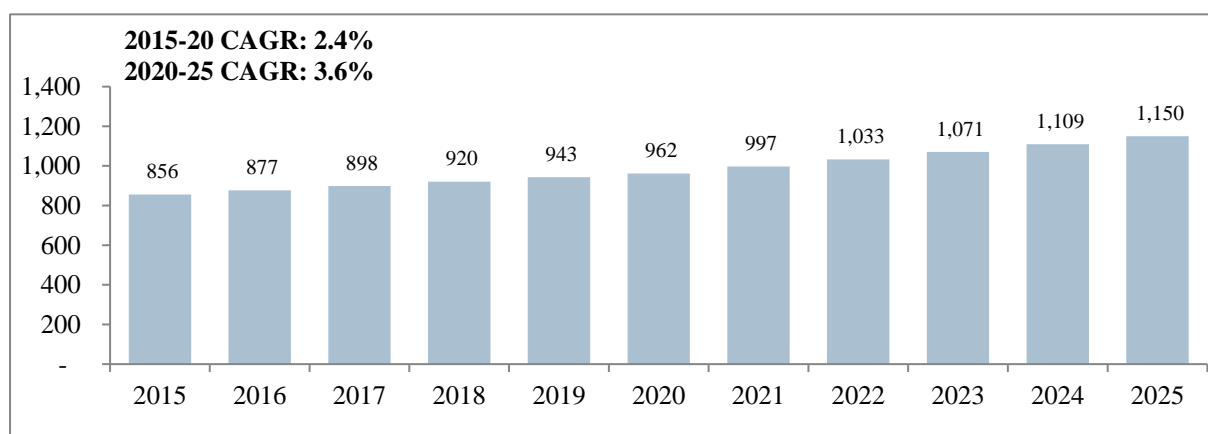
Singapore is another major country of origin with Roquette Singapore Pte Ltd., being the major exporter. The Xylitol exported by Roquette is of Pharma grade with a price point of ~USD 6.0 / Kg. Price of Pharma grade is ~60% higher compared to food grade Xylitol, owing to purity, lesser heavy metals content and particle size.

Industry Overview – Lignin

Lignin is a wood component that is proving to be a particularly promising resource. It is currently almost exclusively used for generating energy, although it is also used for many other purposes.

The global lignin market size was estimated at USD 962 million in 2020 and is expected to expand at a CAGR of 3.6% in terms of revenue, from 2020 to 2027. Increasing demand for lignin in animal feed and natural products is anticipated to drive the growth. The product is widely utilized in the production of macromolecules used in the development of bitumen, biofuels, and bio-refinery catalysts. This factor is likely to support market growth. Growing demand for concrete admixtures and adhesives and binders coupled with increasing investments in infrastructure development is expected to fuel the market growth.

Global Lignin Market, Industry size (USD Mn), 2015-2025F



Macromolecules application accounted for more than two-third of the market share in terms of revenue in 2020 and is expected to ascend at a CAGR of 1.9% from 2020 to 2027. Growth in application of carbon fibres as lightweight materials in automotive and construction industries is anticipated to increase the importance of macromolecules. Macromolecules are further processed to form carbon fibres, carbon, bitumen, bio-refinery catalysts, biofuels, and activated carbon. Rising demand for lightweight materials in aerospace and automotive manufacturing industries has increased the popularity of carbon fibres. Moreover, increasing demand for lightweight vehicles in light of better performance and durability are expected to generate the product demand.

Demand Drivers

Growth in Concrete Market: Lignin is widely used in the concrete industry. Lignin offers high performance concrete strength aid. Sulfonated lignin contributes higher adsorption properties and zeta potential to cement particles, and hence shows better dispersion effect to the cement matrix. The concrete and cement market is poised to progress at a CAGR of over 7% during the forecast period of 2020-25.

Antioxidants: Lignin acts as free radical scavengers. Lignin's natural antioxidant properties provides use in cosmetic and topical formulations. Lignin sulfonate-containing cosmetic compositions have been developed for decorative use on skin. Global Antioxidants Market is expected to grow at a CAGR of 6.4% during the forecast period of 2020-25.

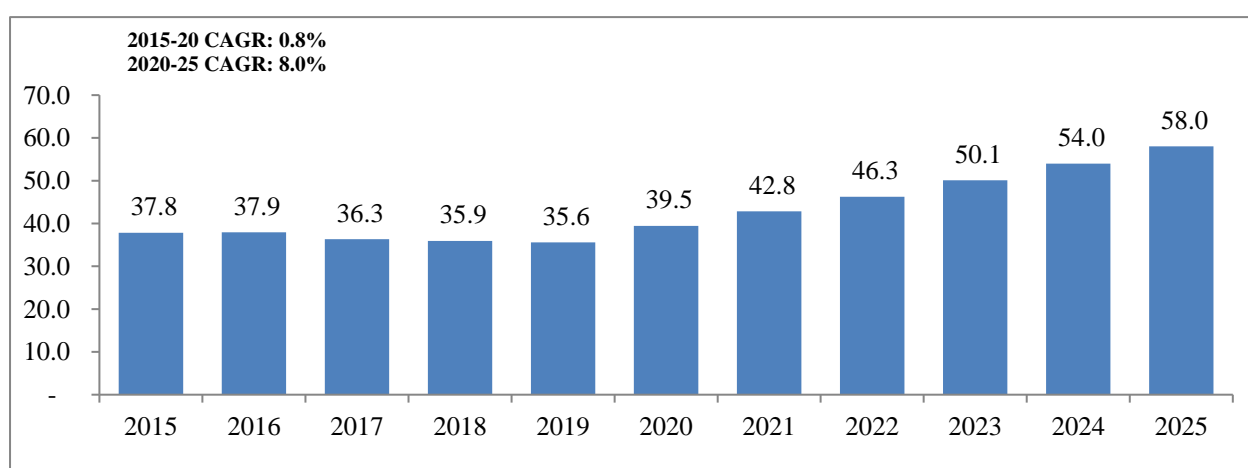
Asphalt: Lignin is used as the asphalt binder modifier. Lignin could improve the high temperature performance of asphalt binder, without compromising its low temperature performance. The asphalt market size stood at USD 222.0 Mn in 2019 and is expected to reach USD 321.5 Mn by 2027, exhibiting a CAGR of 4.8% during the forecast period.

Agrochemicals: Lignin is widely used as dispersants in the agrochemicals industry. The global market for agrochemicals reached USD 243.1 Bn in 2019 and should reach USD 299.8 Bn by 2024, at a compound annual growth rate (CAGR) of 4.3% for the period of 2019-2024.

India Market Overview

The India Lignin market was valued at USD 39.5 Mn in 2020 with an approx. volumetric sales of 79 KT. India has no production base for Lignin and Lignosulphonates and is 100% import dependent. LRC (from Imported pulp) and Warana Sugars (Bagasse based) are the only two manufacturers of Lignin based products in India; however currently both have ceased manufacturing operations.

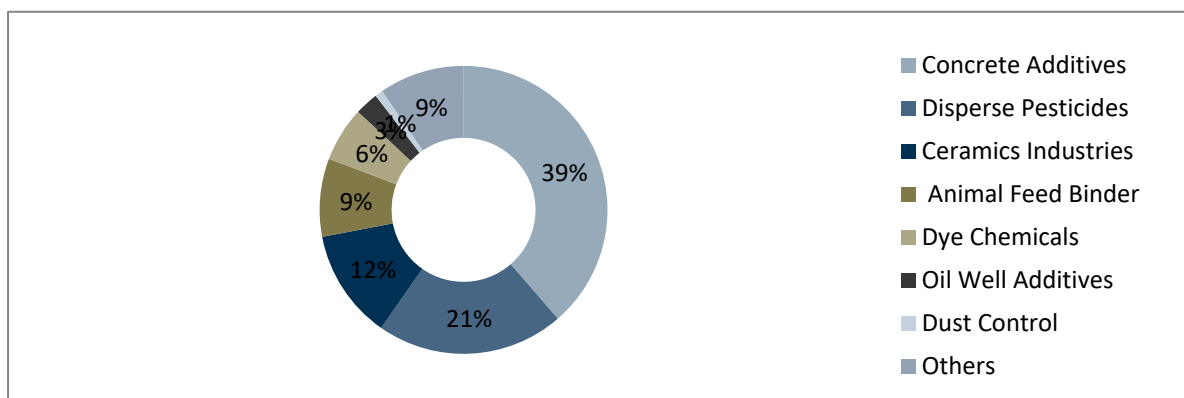
India Lignin Market, Industry size (USD Mn), 2015-2025F



Market by End Application and Demand Drivers

Construction industry and Disperse Pesticides were the key drivers contributing to growth in consumption of Lignin and Lignosulphonates in India in the last five years. The trend is expected to continue in near future as well.

India Lignin Market by Application (USD Mn), 2020



Concrete Additives: Largest end-use application with ~40% of total consumption. However, this segment uses multiple substitutes such as Sodium Naphthalene sulfonate and Poly Carboxylic Ether (PCE) which provide better dispersion properties and load bearing properties. Construction sector in India have pioneered the growth of Lignin in India, owing to increasing development of infrastructure-based projects. Governmental policies such as Housing for all, Swachh Bharat have increased the requirement of concrete and tiles. Between 2015-19, concrete additive grew at 5.8% and ceramics grew at 7.6%.

Disperse Pesticides: Second largest end-use segment with major Agrochemical consumers, who mandate the use of specific brands of Sodium Lignosulphonates and have long-term global sourcing contracts. Agrochemical sector is witnessing a shift in manufacturing base from China to India owing to stricter environmental disposal issues. With manufacturing of Agrochemicals shifting from China to India, Growth in use of excipients to increase. Industry expected to have a healthy growth in the next decade at CAGR 8.5%.

Ceramics industry: It uses Lignosulphonate as part of a concoction of other additives which helps in binding the clay and reducing cracking and surface aberrations in tiles and other ceramics. Wall and Floor tiles sector in India is expected to grow at 11.6% CAGR until 2025, owing to increased use of tiled surfaces in both urban and rural construction segment. The unorganized sector (accounts for ~30% of supply), clustered in Gujarat. Governmental reforms in infrastructure development is the major driver for the ceramics sector to grow in India.

Dye Chemicals use Lignin-based products as a dispersant to get uniform colouring on the textile by not allowing the heavy particles to settle at the bottom of the mixture.

Oil Well additives and Dust control are used in Oil fields and mines respectively. Where the primary function is to deflocculate clay-based muds and also to absorb excess moisture.

Competition Analysis

India has no production base for Lignin and Lignosulphonates and is 100% import dependent.

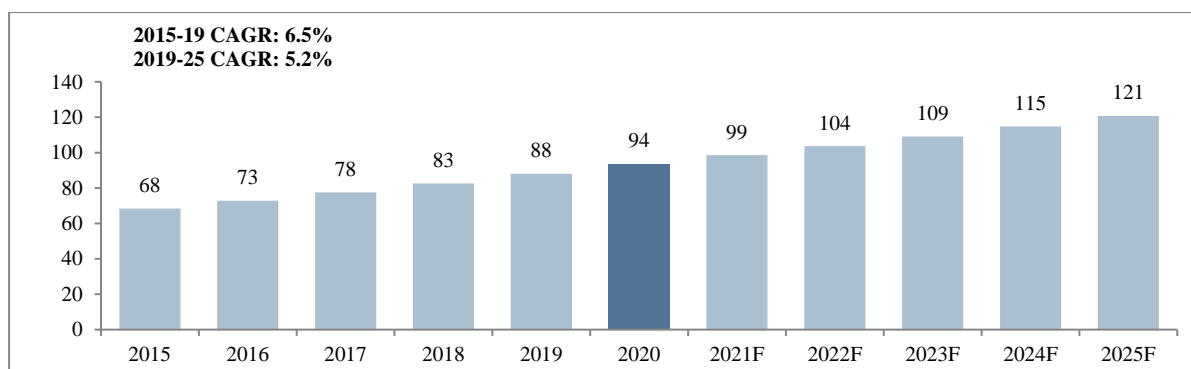
With no capacities envisaged in the near future, the market is expected to be import driven making it an attractive proposition for a domestic manufacturer to enter the market. Godavari Biorefineries Limited is at the forefront of the fractionation of bagasse into cellulose, hemicellulose and lignin, and further processing to its derivatives.

Overview – Ethanol Industry

Global Market Overview

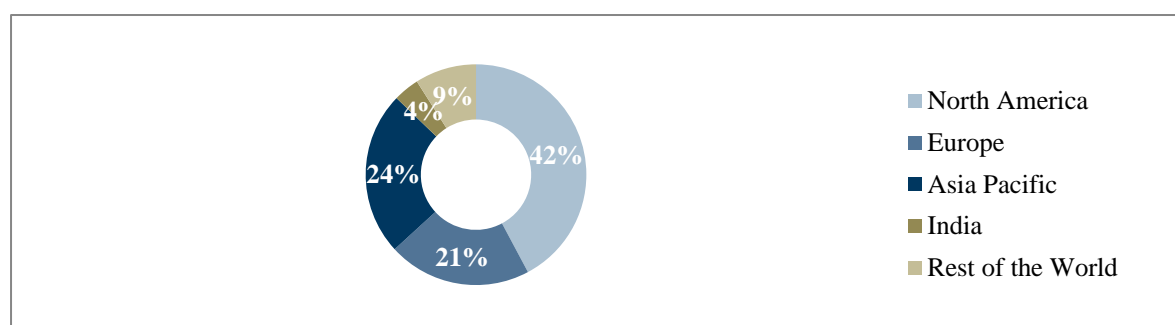
The global Ethanol market was valued at USD 93.7 Bn in 2020 with a steady growth rate in past of CAGR ~6.5% since 2015. Going forward it is expected to grow at ~5.2% from 2020 till 2025 to reach USD 120.7 Bn. The total production of ethanol was ~140 Bn litres by volume and is expected to grow at ~3.6% CAGR to reach ~165 Bn litres by 2025.

Global Ethanol Market (USD Bn), 2015-2025F

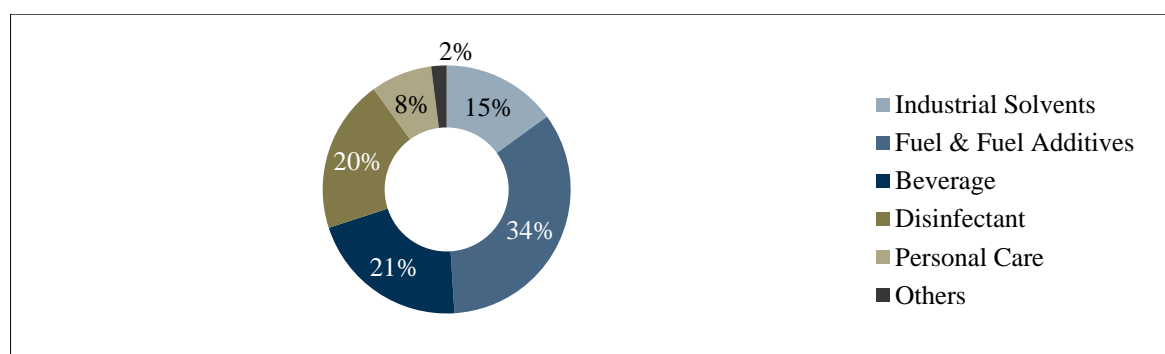


The demand for the product is driven by the growing usage of ethanol as a biofuel. The rising consumption of alcoholic beverages is another major factor supporting market growth. Due to the pandemic, the usage of alcohol-based hand sanitizers has increased considerably, which is effectively expected to boost the growth of ethanol demand in the near future. Food and Drugs Administration has approved ethanol as active ingredient in the manufacturing of alcohol-based hand sanitizers encouraging the market leaders operating on the global ethanol market to focusing on the capacity expansion of ethanol. Moreover, governments in the developed as well as emerging economies are promoting ethanol production, as ethanol is a renewable biofuel. Also, growing awareness among individuals regarding environmental safety is another factor to boost growth of the industry. Ethanol is an environmental fuel and thereby reduces the level of pollution; this is a crucial factor for the adoption of ethanol in most of the fuel blends fuelling the growth of the demand.

Global Ethanol Market by Geography (USD Bn), 2020, USD 94 Bn



Global Ethanol Market by End Use (USD Bn), 2020, USD 94 Bn



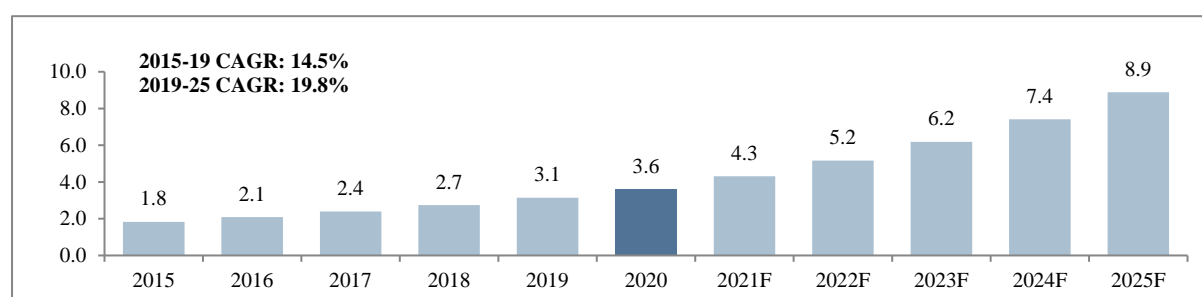
Overview – India Market

Over the past five years, the Indian government has been encouraging ethanol capacity expansion to cut its dependency on imported crude oil and channelize the excess sugar inventories into ethanol production. The Indian ethanol market is projected to grow from USD 3.6 Bn in 2020 to USD 8.9 Bn by 2025, exhibiting a CAGR of 19.8% during 2020-2025, on the back of increasing ethanol use in applications such as disinfectants, fuel additives and beverages. With the start of National Biofuel Policy 2018, which has put forth an Ethanol blending target of

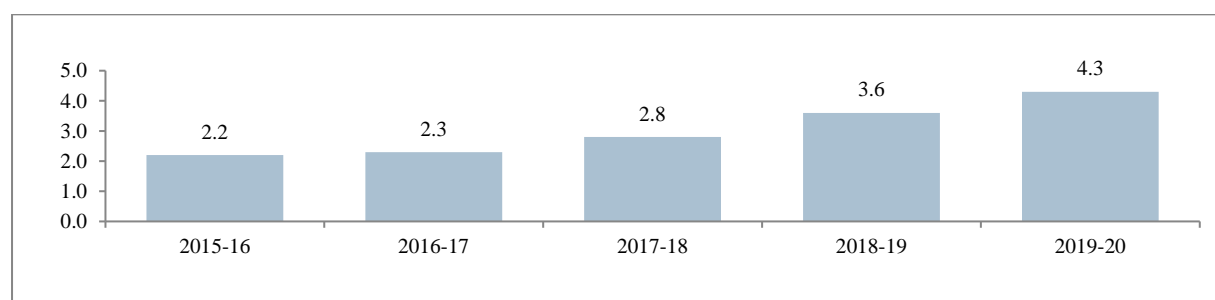
10% by 2022, the recent gazette notification by the Ministry of Petroleum and Natural Gas, has put forth an ethanol blending target of up to 20% starting from April 1, 2023 from the current blend rate of 8.5%.

India has around 330 distilleries, which can produce over 4.2 Bn litres of rectified spirits (alcohol) per year. Of this total, about 166 distilleries have the capacity to distil 2.6 Bn litres of ethanol (denatured and undenatured) to be used in fuel, industrial chemicals, and beverages. Final C & B Heavy molasses, sugarcane juice, food grains unfit for human consumption, and any other potential domestic raw material sources available in the country may be used for making fuel-grade ethanol. (Source: www.usda.gov).

Indian Ethanol Market (USD Bn), 2015-2025F



Indian Ethanol Capacity (Bn Ltrs), 2016-2020

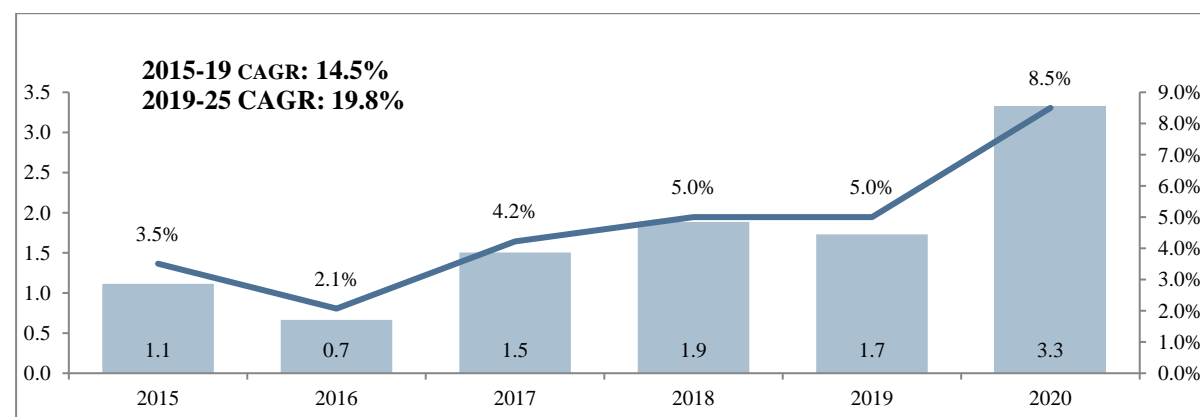


Uttar Pradesh (150 crore litres), Maharashtra (128 crore litres) and Karnataka (78 crore litres) are the top 3 states accounting for about 83% of the total ethanol production capacity of 4.2 Bn litres with other states contributing for only around 17% of the total ethanol output capacity in India.

India Ethanol Blend Program

Supply of ethanol under the EBP Programme has increased from 38 crore litres during 2014 to 173 crore litres during 2019 and 332 crore liters in 2020 resulting in increase in blend percentage from 1.53% to 5.00% and 8.5% respectively. The 2020 blend volume is 91% more in comparison to the ethanol supplies received during 2019.

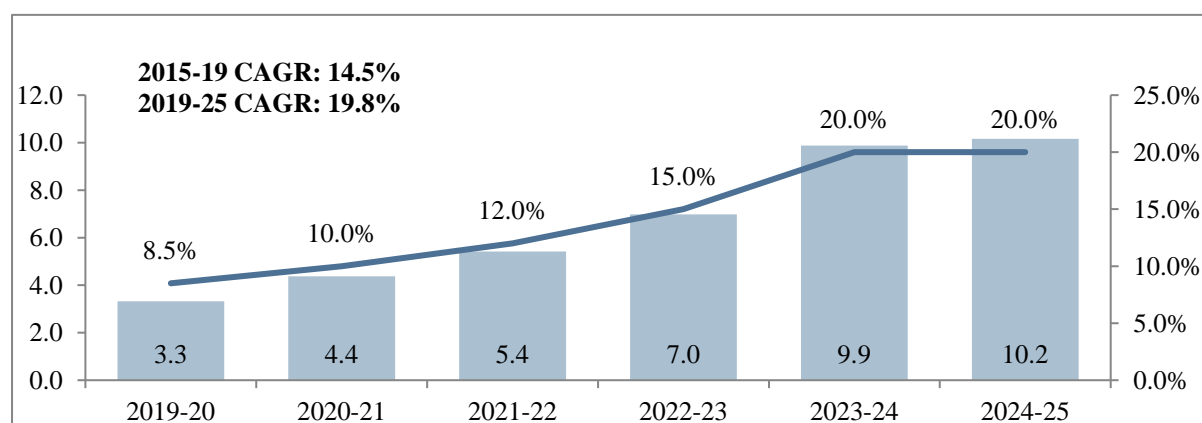
Indian Ethanol Blend Program Supply (Bn Ltrs), 2015-2020



The Indian government will bring forward to 2023 the possibility of fuel companies selling gasoline containing up to 20% of ethanol (E20). The central government directs the oil companies to sell ethanol blended petrol with percentage of ethanol up to 20% as per the Bureau of Indian Standards specifications, in the whole of the states and union territories. Owing to this the requirement of Ethanol is expected to increase drastically to meet the growing demand for fuel ethanol. India has also been giving soft loans to sugar mills to increase ethanol production capacity by adding distillation infrastructure to existing plants.

The move from India towards higher production and use of ethanol is expected to cut the country's exportable surplus of sugar, potentially leading to higher international prices for the sweetener. Most of the additional ethanol production in the country will come from sugar cane processing, so less cane will likely be used to make sugar.

Indian Ethanol Blend Program Requirement (Bn Ltrs), 2020-2025

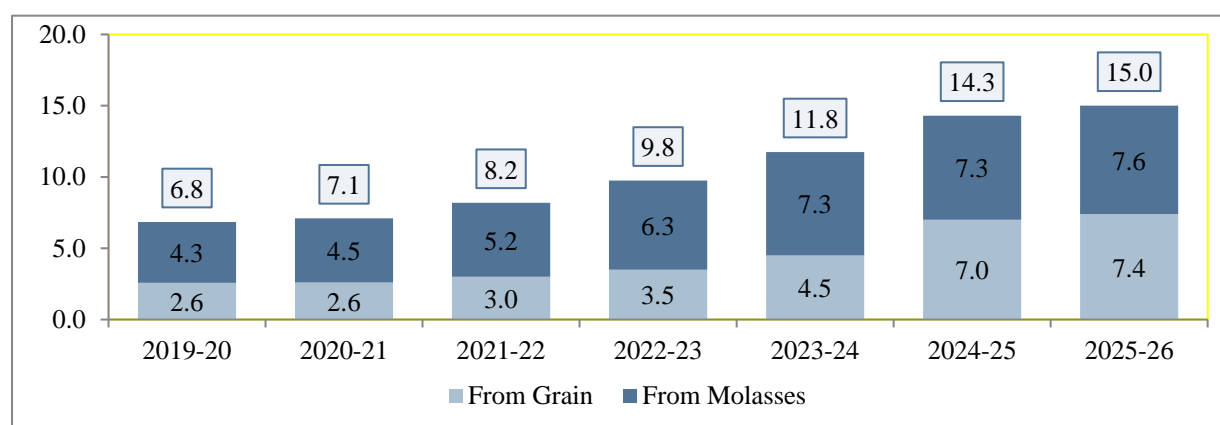


Indian Requirement of ethanol for blending in Petrol (Bn Ltrs), 2016-2025F

Ethanol Supply Year	Projected Petrol Sale (Bn litres)	Ethanol Blending (in %)	Requirement of ethanol for blending in Petrol (Bn Ltrs.)
2019-20	34.1	5%	1.7
2020-21	39.1	9%	3.3
2021-22	43.7	10%	4.4
2022-23	45.2	12%	5.4
2023-24	46.6	15%	7.0
2024-25	49.4	20%	9.9
2025-26	50.8	20%	10.2

The government has projected the ethanol requirement for achieving 20% blending by 2023 at 10bn litres, with sugar mills expected to supply around 6 - 7bn litres and the remaining 4bn litres to come from grain-based output and other 2G refineries.

Indian Ethanol Capacity Requirement (Bn Ltrs), 2020-2025F



Ethanol – 1st Generation vs. 2nd Generation

Classification	Organic Molecule to be converted to Ethanol	Raw Maerial
1 st Generation	Sugary (Glucose, Fructose, Sucrose)	C and BH molasses
		SJ and MCJ
		Swet sorghum (stalks) juice
	Starch	Grains (Corn, Sorghum, Rice, Wheat, Millet)
		Cassava
2 nd Generation	Cellulose and Hemicellulose	Lignocellulosic biomass (bagasse, Sugar cane trash, Corn cobs, Rice straw etc.)
	Complex Mixed Organics	Pet coke and Municipal solid waste

Ethanol Market – Key Companies

Sr. No.	Company Name	Distillery Capacity (KLPD)	Cane crushing capacity (TCD)
1.	Shree Renuka Sugars Ltd	970	94,520 TCD
2.	Bajaj Hindustan Sugar	800	96,000 TCD
3.	Balrampur Chini Mills	520	76,500 TCD
4.	India Glycols	425	5500 TCD
5.	Godavari Biorefineries Limited (GBL)	400	15,000 TCD
6.	Dhampur Sugar Mills Ltd.	400	45,500 TCD
7.	Triveni Engineering & Industries	320	61,000 TCD
8.	E.I.D Parry India	234	45,800 TCD
9.	Dalmia Bharat Sugar	220	22,500 TCD
10.	Simbhaoli Sugars	210	9,500 TCD
11.	Avadh Sugar & Energy	200	31,200 TCD
12.	Mawana Sugars	120	29,500 TCD
13.	HPCL Biofuels Limited	60	3500 TCD
14.	Dwarikesh Sugar Industries	30	21,500 TCD
15.	Other Refineries (KLPD)	6,600	
	Total (Bn Ltrs)	4.2	

Note: The above capacity is on aggregate basis (capacity for all production plants consolidated)

Godavari Biorefineries Limited manufactures ethanol via sugarcane syrup and B Heavy molasses, diverting over 35% of sugar towards ethanol. Moreover, one of the unique features of the plant is that Godavari Biorefineries Limited has created optionality between sugar and ethanol production. Godavari Biorefineries Limited is among the first few companies in India to utilise sugar cane juice and syrup for ethanol production. Godavari Biorefineries Limited's capacity is single largest capacity to use sugarcane juice/ syrup as feedstock.

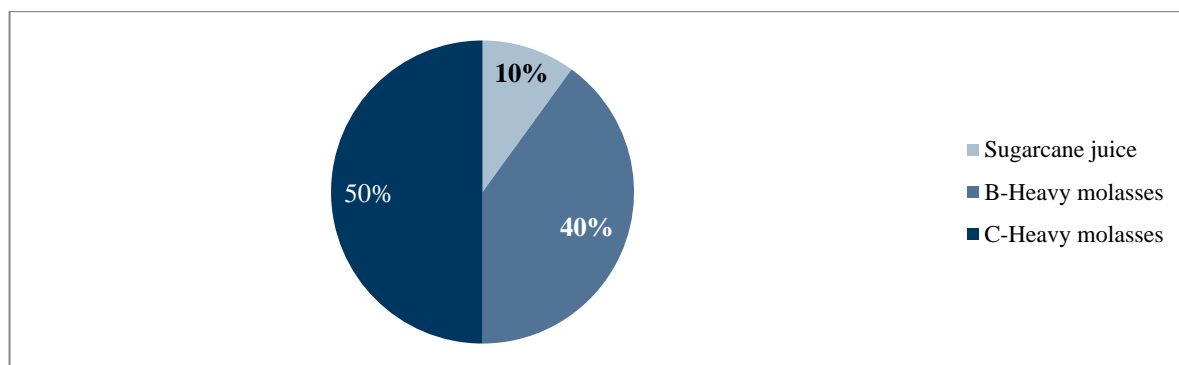
The rise in fuel prices coupled with very attractive purchase price of ethanol is driving ethanol consumption; consecutive year bumper harvests is supporting production growth. A 6.6% blend rate seemed achievable if all the ethanol produced (from molasses) in 2020 was blended with gasoline. Potential blending would be higher yet if imports were permitting and duties lowered. However, given the demand from the potable and industrial sectors and limitations on imports, a national blend average of 5.8% in 2020 is expected. Since the quantity of ethanol demanded at higher prices may be less, the industrial uses and the potable sector will need to augment some of its supply from grain-based distilleries, partly from raw material imports or by directly importing the finished products.

Blending ethanol with fuel raises the octane number of petrol. Petrol prices can be lowered if OMCs pass on the gains. Petrol is a product of fractional distillation of crude oil, with further treatment, including addition of multi-function additives, to enhance its octane rating and other properties. A higher-octane number means engines can burn the same amount of petrol to extract more energy. The standardised octane number for petrol in India is 91. The cost of additives required to achieve this rating is built into the price of petrol. Splash blending is done when ethanol is directly poured into petrol. The octane rating of petrol goes up when ethanol is splash blended.

India Ethanol – By Source

The raw material base for ethanol production has expanded over the past few years with the government allowing procurement of ethanol from B heavy molasses and sugarcane juice in June 2018 for the upcoming ethanol supply years. Ethanol supplies from C-heavy molasses stand at 50% of total ethanol supply contracts, B-heavy molasses at 40% and sugarcane juice are estimated to (10%), respectively.

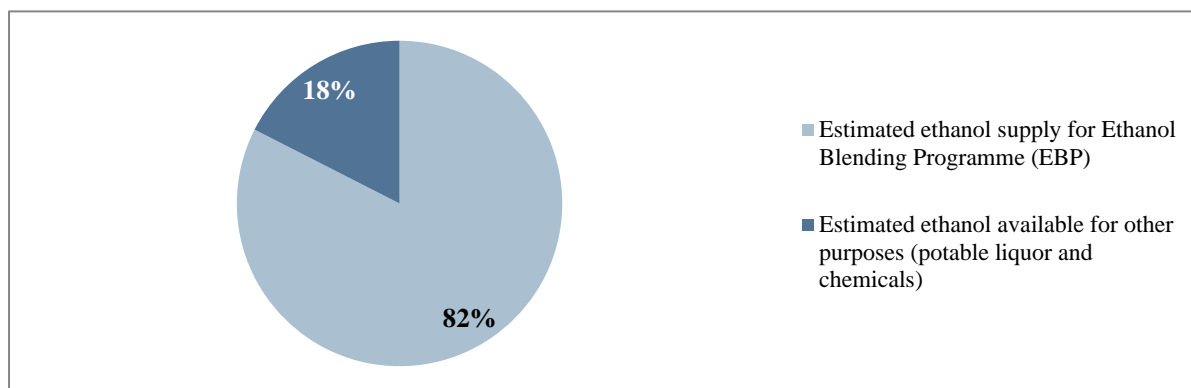
India Ethanol Market, By Source, 2020 (4.0 Bn Ltrs)



India Ethanol Application

Ethanol is widely used to blend it with petrol. This blending is being done by the oil marketing companies in their terminals. Ethanol is high in oxygen content, which therefore allows an engine to more thoroughly combust fuel. It can be mixed with fuel in different quantities and can help reduce vehicular emissions. Also, since it is plant-based, it is considered to be a renewable fuel.

India Ethanol Market, Application, 2020 (4.0 Bn Ltrs)



Procurement and Pricing of Ethanol

The OMCs are to procure ethanol from domestic sources. Government has notified administered price of ethanol since 2014. For the previous ethanol supply year 2019-20, the ethanol procurement by OMCs is estimated to be 195 crore litres. Revision of ethanol price for the Ethanol Blended Petrol (EBP) Programme for the forthcoming sugar season 2020-21 during Ethanol Supply Year (ESY) 2020-21 from 1st December 2020 to 30th November 2021 is as follows:

- The price of ethanol from C heavy molasses route be increased from Rs.43.75 per lit to Rs.45.69 per litre;
- The price of ethanol from B heavy molasses route be increased from Rs.54.27 per lit to Rs.57.61 per litre; and
- The price of ethanol from sugarcane juice / sugar / sugar syrup route be increased from Rs.59.48 per lit to Rs. 62.65 per litre

To increase production of fuel grade ethanol and to achieve blending targets, the Govt of India has allowed use of maize and rice with FCI for production of ethanol. Government has declared that rice available with FCI would continue to be made available to distilleries in coming years. The extra consumption of surplus food grains would ultimately benefit the farmers as they will get better price for their produce and assured buyers; and thus will also increase the income of crores of farmers across the country.

Government has fixed price of ethanol from maize as Rs 51.55/litre & rice available with FCI as Rs 56.87/litre for ethanol supply year 2020-21. For FY 2020-21, Government has fixed the price of FCI rice to Rs 2000/quintal for production of ethanol. For FY 2021-22, Government has decided to continue the price of FCI rice to Rs 2000/quintal for production of ethanol. This will give confidence to industry about the stability in raw material price and its availability. For the purpose of supply of surplus rice for the production of ethanol, distilleries are at liberty to choose the nearest FCI depot as per requirement/logistics.

Pricing and Yield of Ethanol – By Feedstock

Feedstock	Cost/MT of Feedstock (INR)	Quantity of Ethanol per MT of Feedstock	Ex-mill Ethanol Price (INR/Ltr.)
Sugarcane Juice / Sugar / Sugar Syrup	2,850 (Price of sugarcane at 10% sugar recovery)	70 Litres per ton of sugarcane	62.65 (US\$ 0.865)
B Molasses	13,500	300 Ltrs.	57.61 (US\$ 0.795)
C Molasses	7,123	225 Ltrs.	45.69 (US\$ 0.630)
Damaged Food Grains (Broken Rice)	16,000	400 Ltrs.	51.55 (US\$ 0.712)
Rice available with FCI	20,000	450 Ltrs.	56.87 (US\$ 0.785)
Maize	15,000	380 Ltrs.	51.55

Sugar/Sugarcane Juice/Sugar Syrup: The pricing model is based on Fair and Remunerative Price (FRP) of Sugar Cane on which cost of conversion, depreciation and cost of capital is added to compute the ex-mill price of ethanol (Rs. 62.65/litre).

Generally, industrial and chemical users in India import ethanol to augment their cumulative demand, particularly when local supply is short. A recently introduced requirement to obtain an import license to import ethanol (for non-fuel use) may reduce imports temporarily. While importers scramble to comply with the new import requirements, a few major importers will use existing stocks to cover the shortfall in coming months.

Ethanol Market – Growth Drivers

Alcoholic Beverages Market: Ethanol is a prominent alcoholic beverage, mainly found in beer, cider, wine and spirits. Factors such as changing lifestyle along with the growing adoption of the western culture are expected to drive the demand for Ethanol in the country. India alcoholic beverage industry is one of the biggest alcohol industry across the globe only behind from two major countries such as China and Russia. India alcoholic beverages market to grow at a CAGR of 7.4% during the forecast period 2017-2030. Further, the market is anticipated to reach USD 39.7 billion by the end of forecast period as alcohol consumption is growing in urban areas of the country. Growing demand for alcoholic beverages in India is majorly attributed to the huge young population base and growing consumption of alcohol by the young generation as well as rising disposable income is strengthening the industry growth.

Ethanol blended compatible vehicles in India: Currently produced two-wheeler and passenger vehicles in the country are designed optimally for E5, with rubber and plastic components compatible with E10 fuel; their engine can be calibrated for E10 for better performance. As the EBP rolls out in the country, vehicles need to be produced with rubberized parts, plastic components and elastomers compatible with E20 and engines optimally designed for use of E20 fuel. SIAM has assured the committee that once a road-map for making E10 and E20 available in the country is notified by MoPNG, they would gear up to supply compatible vehicles in line with the roadmap. It is possible to roll out E20 material compliant vehicles by April 2022 and E20 Engine compatible vehicles by April 2023.

Steady Source of RM in India: The capacity of molasses-based distilleries has reached to 426 crore litres. 39 more projects with capacity of 93 crore litres are likely to be completed by March, 2022 which will bring cumulative capacities to about 519 crore litres. With a view to achieve blending targets, DFPD is making concerted efforts to enhance the ethanol distillation capacity in the country. For this, the government had invited applications from the entrepreneurs under the ethanol interest subvention schemes in September, 2020 during a window of 30 days. Thus far, 238 projects for a capacity enhancement of 583 Cr litres with a loan amount of about INR 16,000 crore

have been approved by DFPD. It is expected that at least 400 Cr litres capacity would be added from these projects by 2024.

To produce 684 crore litres of ethanol by the sugar industry by 2025-26, sugarcane equivalent to 60 LMT of surplus sugar would be diverted to ethanol.

Availability of feed-stock for Ethanol in the Country (In Lakh Ton)

Feed-stock	Annual production	Annual production	Surplus
Sugar1	320	260	60
FCI rice	520 (Annual Procurement)	350 (Annual issue)	309 (Stock in central pool
Maize	285	165	103

Increased Ethanol blending (Bn Ltrs) in India over the years: India has brought forward its target to implement a 20% ethanol-blended auto fuel by seven years to 2023, which will require a strong boost to domestic ethanol production.

Oil marketing companies such as Indian Oil Corp (IOC), Hindustan Petroleum Corp Ltd (HPCL) will be expected to provide 20% ethanol-blended fuel from April 2023 onward, with the full transition expected in two years. Some states such as Maharashtra, Uttar Pradesh, where ethanol is in surplus, are expected to be the firsts to adopt the higher ethanol fuel blending rate. Cities in the states of Karnataka, Haryana, Goa, Delhi, Uttarakhand, Himachal Pradesh, Bihar, and Punjab are also expected to implement the same two years ahead of schedule. Currently, India's ethanol blending rate in fuel is at 8.5%, which should increase to 10% by 2022 based on the roadmap.

To meet the new targets under its national biofuels policy, India will have to boost ethanol production, which is currently solely derived from sugarcane

To meet the ethanol requirement target of 20%, India will need to augment its sugarcane-based ethanol production capacity by 78% to 7.6Bn litres, and build grain-based ethanol capacity of 7.4 Bn litres as per the government's roadmap. Based on a 10% ethanol blend in fuel, the country's annual ethanol requirement is pegged at more than 4 Bn litres. The government hopes to encourage increased private production of ethanol through loan-based schemes, while it is building around 12 2G bio-refineries to help augment grain-based ethanol production capacity.

Energycane – New age raw material for bio-refineries

Unlike conventional sugar cane energy cane is a cane selected to have more fibre than sucrose in its composition. This is obtained simply by altering the genetic contribution of the ancestral species of sugarcane using traditional breeding methods.

Sugarcane stands as one of the most dependable biomass crop due to its high productivity. However, the positive and significant contribution of sugarcane to the energy matrix can be further augmented with "energy cane," a distinct form of that plant selected for total biomass production rather than for sucrose and some surplus fibre.

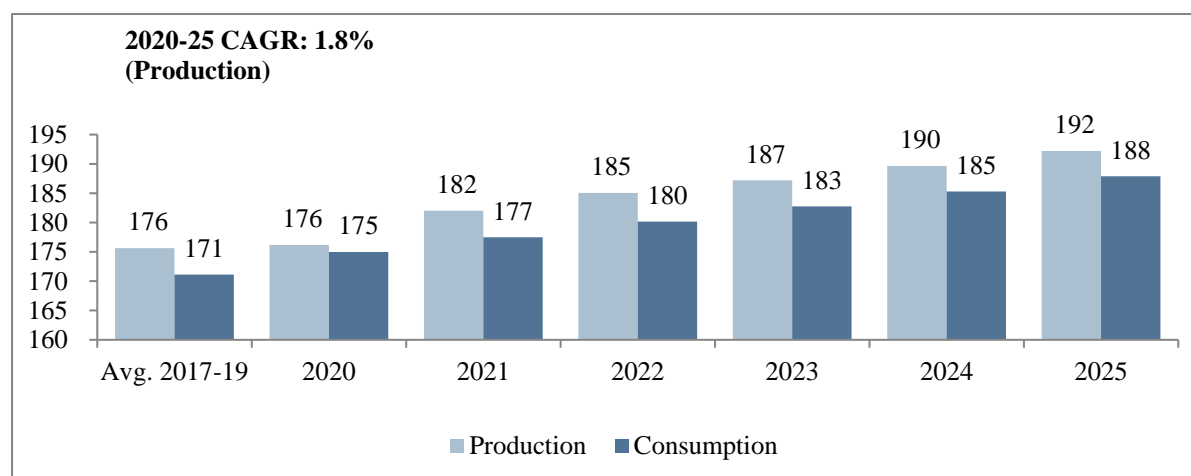
Indian sugar industries are transforming into multiproduct manufacturing sugar complexes to utilize every part of canes supplied to the factory and to improve the financial viability of the sugar industry. Augmenting the feedstocks supply with the addition production and supply of biomass during the offseason will improve the capacity utilization to the greater extent.

Energy cane has large potential to ensure continuous supply of raw materials for biofuel industries throughout the year. In addition, India's economy is rural based and one of the developmental parameter is the availability of power. The power generated from this plant will be sufficient to cater the agriculture, domestic need and to support local agro based industries for a cluster of villages. This will improve the standard of living of the rural farmers and ensure the economic empowerment. the biomass potential of the energy canes can be profitably utilised in the paper, particle board etc. The energy cane biomass can be used for green energy production thus saving fossil fuel and as feedstock for the paper industries hence dependence of the forest wood will be reduced.

Industry Overview - Sugar

Global Sugar Industry

Global Sugar Market, Industry size (Mn Tons), 2015-2021

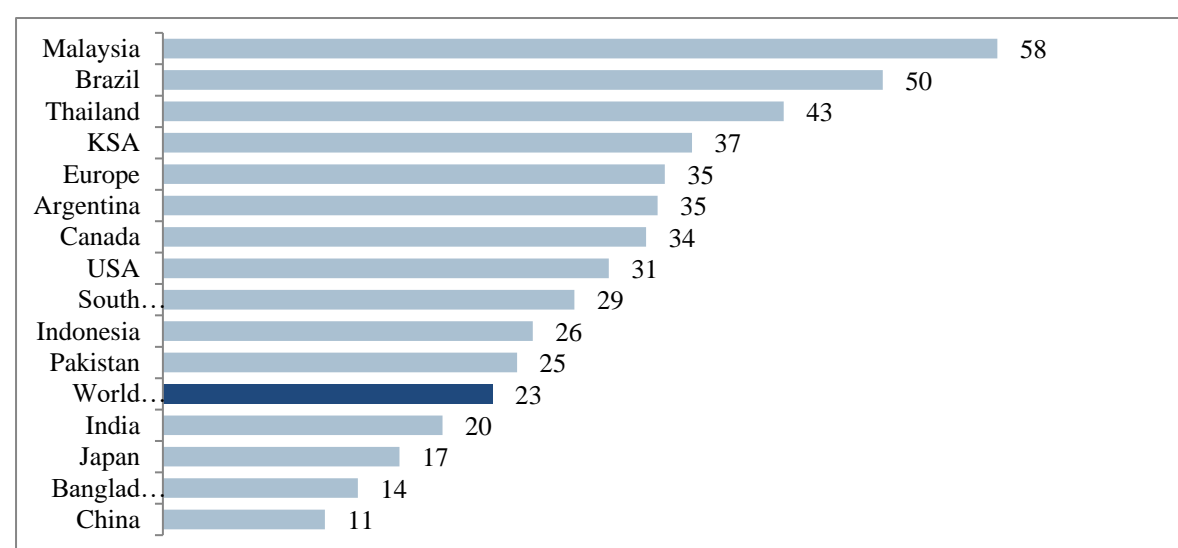


Driven by sustained economic expansion and moderate population growth, sugar demand in Asia is expected to represent more than half of global consumption by 2029.

Global sugar consumption is projected to continue growing at around 1.4% p.a., reaching 188 Mt by 2025, underpinned by population and income growth. Over the outlook period, the average world level of per capita consumption is expected to increase from 22.5 kg/cap to 23.5 kg/cap, although considerable variations between regions and countries will occur.

Increases in global sugar consumption over the next ten years are expected to come exclusively from the developing countries; declining trends are foreseen in other more mature markets in general. Asia and Africa will be the largest contributors to additional demand, with respectively 68% and 30% of additional demand. The higher growth rate in Asia will stem from a higher demand in sugar-rich confectionery products and soft drinks, generally in urban areas.

Per Capita Sugar Consumption, 2019

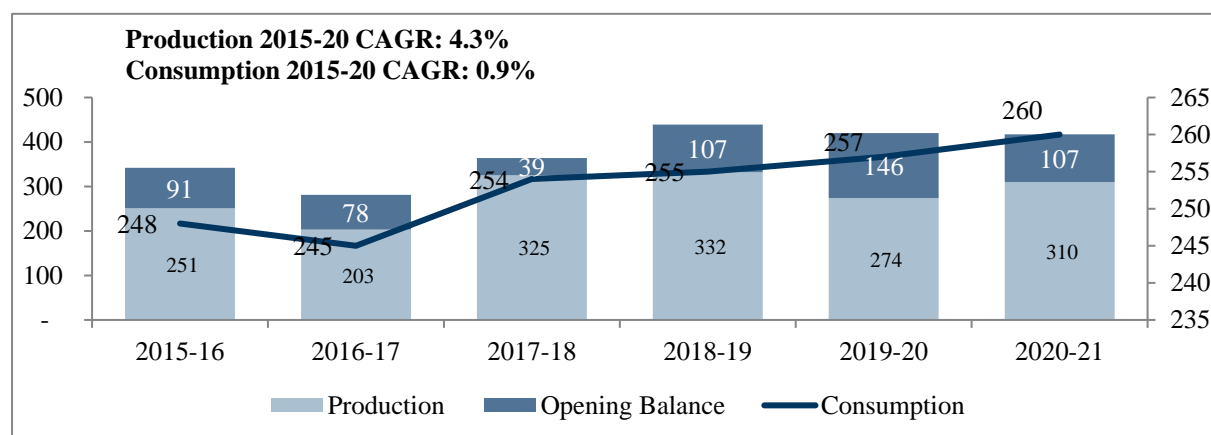


In Asia, it is expected that India, followed by Indonesia, China, and Pakistan, will experience the largest increases in sugar consumption.

India Sugar Industry

India is the largest consumer of sugar in the world. The sugar industry is amongst the most important agro-based industries in the country. There are more than 700 installed sugar factories in the country with crushing capacity of about 340 lakh MT of sugar and annual turnover of about INR 80,000 crore. These numbers reflect the important role the sugar industry plays in India's economy.

India Sugar Market, Industry size (Lac Tons), 2015-2021



Top Sugar Companies with Annual Capacity

Sr. No.	Company Name	Sugar Cane Crushing Capacity (cumulative crushing capacity across all units)	No. of Units
1	Bajaj Hindustan Sugar Ltd	96,000 TCD	10
2	Shree Renuka Sugars Ltd	94,520 TCD	7
3	Balrampur Chini Mills Ltd	76,500 TCD	10
4	Triveni Engineering and Industries Ltd	61,000 TCD	7
5	EID Parry (India) Ltd	45,800 TCD	9
6	Dhampur Sugar Mills Ltd	45,500 TCD	n/a
7	Avadh Sugar & Energy Ltd.	31,200 TCD	4
8	Mawana Sugars Ltd.	29,500 TCD	n/a
9	Dalmia Bharat Sugar & Industries Ltd	22,500 TCD	3
10	Dwarikesh Sugar Industries	21,500 TCD	3
11	Uttam Sugar Mills Ltd	20,000 TCD	n/a
12	Bannari Amman Sugars Ltd	19,000 TCD	4
13	Sakthi Sugars Ltd.	19,000 TCD	n/a
14	Ugar Sugar Works Ltd.	18,000 TCD	2
15	Godavari Biorefineries	15,000 TCD	1
16	KCP Sugar Ind Corp Ltd.	11,500 TCD	2

Top Sugar Companies with Segmental Revenue

Company Name	Revenue from Operations (INR Cr.)	Year	Revenue INR Cr.					
			Sugar	Cogen	Chemicals	Distillery	Other	Inter Segment
Bajaj Hindustan Sugar Limited	6,672	FY 21	7,148	983	0	414	8	(1,882)
Shree Renuka Sugars Ltd	5,462	FY 21	5,314	430	0	701	196	(1,180)
Balrampur Chini Mills Ltd	4,812	FY 21	4,468	438	0	826	22	(942)
Triveni Engineering and Industries Ltd	4,703	FY 21	4,063	0	0	544	462	(366)
Dhampur Sugar Mills Ltd	4,232	FY 21	3,723	372	845		109	(817)

Company Name	Revenue from Operations (INR Cr.)	Year	Revenue INR Cr.					
			Sugar	Cogen	Chemicals	Distillery	Other	Inter Segment
Avadh Sugar & Energy Ltd.	2,711	FY 21	2,563	157	0	347	15	(371)
Dalmia Bharat Sugar & Industries Ltd	2,686	FY 21	2,386	312	0	438	9	(459)
EID Parry (India) Ltd	2,024	FY 21	1,501	142	-	362	72	(52)
Dwarikesh Sugar Industries	1,839	FY 21	1,874	311	0	161	0	(507)
Uttam Sugar Mills Ltd	1,819	FY 21	1,817	112	0	160	0	(271)
Bannari Amman Sugars Ltd	1,561	FY 21	1,458	331	0	81	41	(350)
Godavari Biorefineries	1,538	FY 21	788	120	538	457	13	(377)
Mawana Sugars Ltd.	1,469	FY 21	1,557	256	0	184	0	(528)
Ugar Sugar Works Ltd.	1,118	FY 21	902	133	-	281	41	(238)
Sakthi Sugars Ltd.	633	FY 21	385	66	-	95	191	(103)

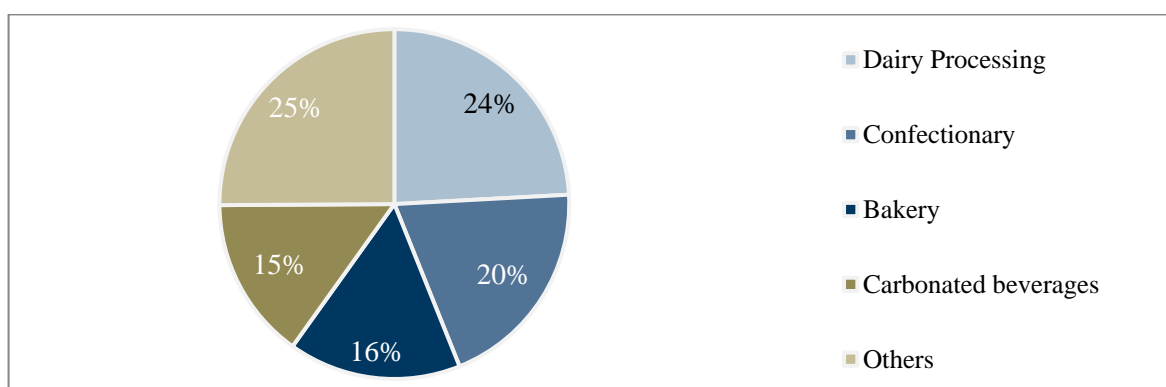
Top Sugar Companies with Segmental Revenue Share (%)

Company Name	Revenue from Operations (INR Cr.)	Year	% Revenue					
			Sugar	Cogen	Chemicals	Distillery	Other	Inter Segment
Bajaj Hindustan Sugar Limited	6,672	FY 21	107.14%	14.74%	0.00%	6.21%	0.12%	(28.21%)
Shree Renuka Sugars Ltd	5,462	FY 21	97.29%	7.88%	0.00%	12.84%	3.59%	(21.60%)
Balrampur Chini Mills Ltd	4,812	FY 21	92.86%	9.09%	0.00%	17.16%	0.46%	(19.57%)
Triveni Engineering and Industries Ltd	4,703	FY 21	86.39%	0.00%	0.00%	11.56%	9.83%	(7.78%)
Dhampur Sugar Mills Ltd	4,232	FY 21	87.99%	8.78%	19.96%		2.57%	(19.30%)
Avadh Sugar & Energy Ltd.	2,711	FY 21	94.54%	5.78%	0.00%	12.79%	0.56%	(13.68%)
Dalmia Bharat Sugar & Industries Ltd	2,686	FY 21	88.84%	11.61%	0.00%	16.29%	0.33%	(17.08%)
EID Parry (India) Ltd	2,024	FY 21	74.13%	7.01%	0.00%	17.86%	3.54%	(2.55%)
Dwarikesh Sugar Industries	1,839	FY 21	101.91%	16.90%	0.00%	8.74%	0.00%	(27.55%)
Uttam Sugar Mills Ltd	1,819	FY 21	99.90%	6.18%	0.00%	8.80%	0.00%	(14.88%)
Bannari Amman Sugars Ltd	1,561	FY 21	93.38%	21.19%	0.00%	5.22%	2.63%	(22.42%)
Godavari Biorefineries	1,538	FY 21	51.22%	7.81%	34.96%	29.74%	0.82%	(24.54%)
Mawana Sugars Ltd.	1,469	FY 21	106.02%	17.41%	0.00%	12.53%	0.00%	(35.96%)
Ugar Sugar Works Ltd.	1,118	FY 21	80.69%	11.86%	0.00%	25.12%	3.64%	(21.31%)
Sakthi Sugars Ltd.	633	FY 21	60.77%	10.43%	0.00%	15.02%	30.11%	(16.33%)

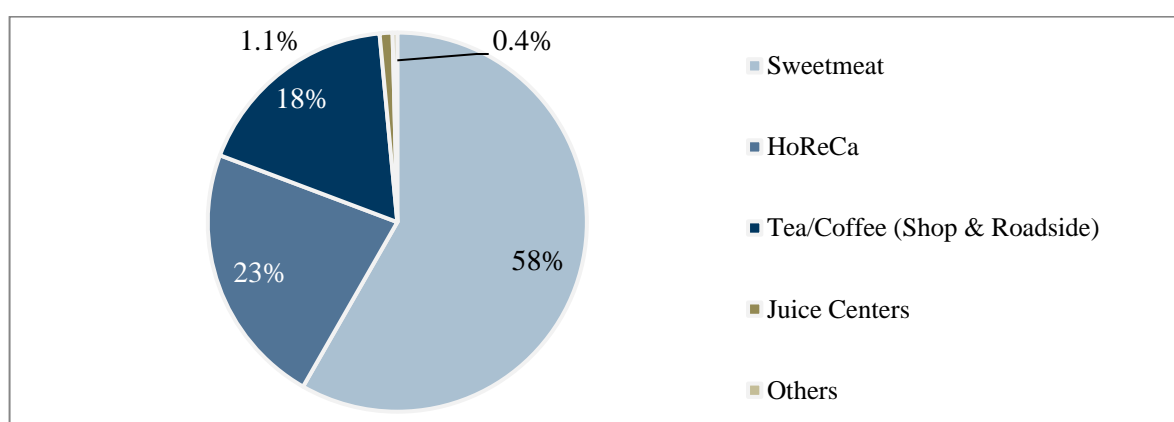
Industrial Sugar Consumption – By Segment

Sugar consumption in India can be categorized in three segments viz. household, industrial and small businesses. Industrial and small business consumption is categorized as out-of-home consumption, which constitutes about 65% of total sugar consumption in India.

India Industrial Sugar Market By Segment, 2020



India Small Business Sugar Market By Segment, 2020



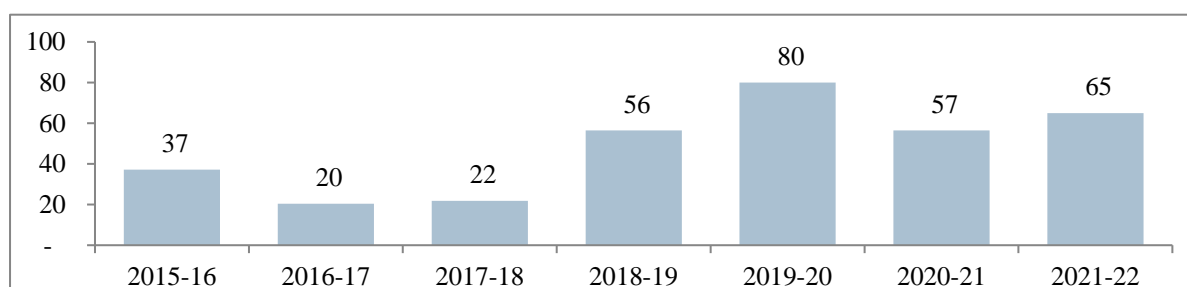
Some of the drivers for growing Industrial Sugar demand are:

- The India food and beverage packaging market was valued at USD 26.28 billion in 2019, and it is expected to reach USD 122.78 billion by 2025, registering a CAGR of 29.88% during the forecast period of 2020-2025. The increase in the spending capacity of middle-income group, the rapid expansion of organized retail, and exports further facilitate the growth of the market;
- India Energy Drink market is projected to grow at a CAGR of 9.22% during the forecast period, 2020-2025;
- India candy market was valued USD 1643.64 Million in value terms in 2020 and is forecast to grow at CAGR of 15.40% in value terms to reach USD 3661.68 Million by 2026. India candy market is witnessing consistent growth, owing to increasing disposable incomes bringing brand consciousness and inclination towards imported products, and growing organized retail and e-commerce channels along with robust supply chain networks. Moreover, factors such as rising population, emergence of premium candy segments, and entry of foreign players are further fuelling the candy market in India; and
- India's confectionery sector was valued at US\$4,122.2 million in 2019. India Confectionery sector is expected to register growth at a CAGR of 3.9% over 2020 – 2025.

Sugar Trade Scenario

Indian Government announces Export Quota every year and the government has fixed a mandatory export target of 60 lakh tons surplus sugar for the 2020-21 seasons. In the current season, about 35% of the total export quantity has been shipped to Indonesia (12.17 lakh tons), followed by Afghanistan (4.33 lakh tons) and the UAE (3.66 lakh tons).

India Sugar Exports, (Lac Tons), 2015-2023F



The Indian government's plan to gradually increase ethanol blending in gasoline, as a way to cut pollution and reduce its oil import bill. This could be the largest change in the global sugar market since Europe's sugar reform, and possibly drive a bull market. India's ethanol program will lead the government to end sugar export subsidies and erase exportable sugar volumes from the country.

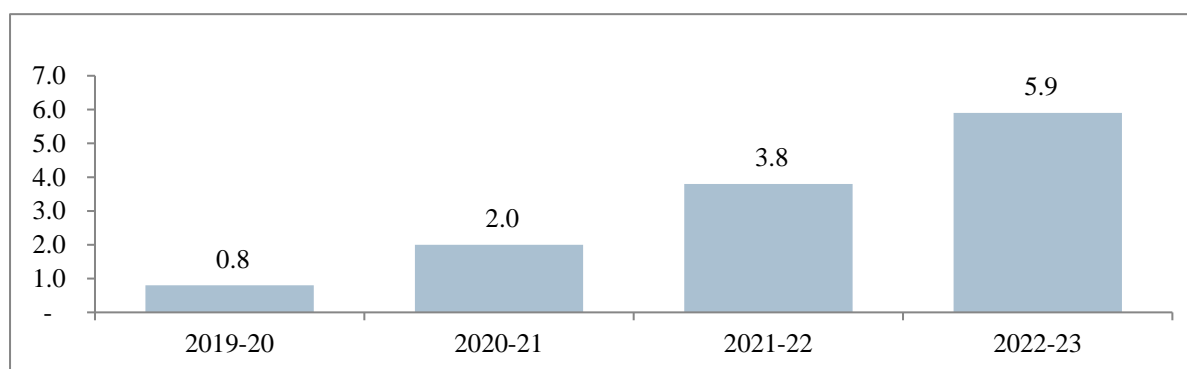
The sugar industry is producing almost 6 MT of surplus sugar every year which can be diverted to produce 700 crore litres of ethanol out of the total requirement of 1000 crore litres and balance can be produced from excess grains. With government allowing ethanol through grain-based distilleries as well gives additional stream of revenue to some of the sugar companies who are willing to expand. Currently the excess sugar produced is largely being exported depending on the global demand-supply dynamics & export incentives by Government. The road map that every year the surplus sugar can be reduced by 2 million tons is being worked on by the industry and the Government. By 2023 India is planning to have zero surplus sugar by diversion to ethanol (with 2MT every year till 2023).

With considerable increase in ethanol sales and demand-supply balance evening out, integrated sugar mills are expected to witness sustained increase in their cash flows going ahead. With ethanol blending by oil marketing companies (OMCs) picking up pace and with the Government's stance on increasing the blending targets to 20% supported by the remunerative ethanol pricing and incentive schemes to build up capacities to achieve the same, the economics of sugar industry are getting better.

India's plan to push for a 20% ethanol blend to gasoline as soon as 2023, compared to only around 8% currently, will lead to the production of 6 billion liters of ethanol from sugar cane juice and molasses, reducing local sugar production by more than 6 million tons. By 2025, India will move its raw material base to produce more of Ethanol and less of sugar. The country's Sugar production will decrease from 31 million tons of sugar a year to 27 million tons. With consumption today at around 26 million tons and likely to grow in the future, India will no longer be a major surplus sugar producer and exporter.

Gasoline demand is expected to increase in India by 2030, and the country will need to produce 13 billion liters of ethanol to meet the E20 blending, diverting more than 10 million tons of sugar production. By 2023 India is planning to have zero surplus sugar by diversion to ethanol and the recent move of advancing the 20% ethanol blending by government by two years from 2025 to 2023 is a step forward in achieving the same.

Sugar sacrifice due to diversion to ethanol (in million tonnes), 2020-2023F



India has only around 2% share in the global production of ethanol while it has close to 17% share in global sugar production. As against that Brazil which is the largest producer of Sugar globally (around 18% share) has 30% stake even in global ethanol production.

With this E20 progressing in India and more and more sugar companies diverting their resources for production of Ethanol, the margin profile of Indian sugar companies will change substantially as they expand into Ethanol and improve valorization of Bagasse.

Bagasse Based Electricity Cogeneration

Electricity is generated by sugar mills from molasses in cogeneration units. While a part of it is used for captive consumption, bulk of it is supplied to the state grid at a fixed price, depending on the demand and supply situation in the specific area.

Currently, sugar mills in India generate around 8,000MW power from bagasse, 6,500 MW of which is supplied to the grid as surplus.

Almost all sugar mills in India are traditionally using cogeneration by using bagasse as a fuel. Sugar production process releases a valuable by-product known as Bagasse. It has good calorific value and burns very easily. Sugar industry requires electricity and steam in the production process. Here bagasse is being burnt in boilers to produce steam for its use in the process and turbine generator for power generation. After self-consumption, the surplus electricity will be available for sale to the grid.

OUR BUSINESS

Some of the information in the following chapter, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter “Forward-Looking Statements” on page 20 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 29 for a discussion of certain risks 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, industry data in this chapter has been derived from the Frost & Sullivan Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. For details, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation” on page 17.

Unless otherwise stated, or the context otherwise requires, the financial information used in this chapter is derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 215.

Overview

We have the largest integrated bio-refinery in India and are one of the largest producers of ethanol and a pioneer in manufacturing ethanol-based chemicals in India (*source: Frost & Sullivan Report*). We are also the largest manufacturer of MPO worldwide, one of only two manufacturers of natural 1,3 butylene glycol globally, the fourth largest manufacturer of ethyl acetate in India and the only company in India to produce bio ethyl acetate (*source: Frost & Sullivan Report*). Our diversified product portfolio comprising of bio-based chemicals, sugar, rectified spirits, ethanol, other grades of alcohol and power, finds application in a range of industries. According to the Frost & Sullivan Report, our Company is the only company in India to have such a vast portfolio of bio-based products. We are a part of the Somaiya group of companies, which has an experience of over 80 years in the sugar industry and almost 60 years of experience in the bio-based chemicals industry.

We utilise sugarcane as a feedstock to manufacture a wide range of products, including sugar, ethanol, bio-based chemicals and power and were among the first few companies in India to utilise sugarcane juice and syrup for the production of ethanol (*source: Frost & Sullivan Report*). We continuously strive to improve the valorisation of sugarcane through development of down-stream products and increasing the diversion of sugarcane towards value added products. We believe that through our long history of purchasing sugarcane and continued support provided to the farmers, we have established strong relationships and goodwill among the farmers.

Our Sameerwadi Manufacturing Facility is among the top ten sugar complexes in India and we are one of the largest producers of ethanol in India (*source: Frost & Sullivan Report*) with an installed capacity of 380 KLPD as at June 30, 2021. The rectified spirits manufactured by us are converted into various grades of ethanol including fuel ethanol, pharma grade ethanol and extra neutral alcohol (the “**Rectified Spirits and Ethanol**”). In order to improve the valorisation of sugarcane and in light of the government initiatives for increasing fuel ethanol blending, we intend to expand our capacity for manufacturing ethanol from 380 KLPD (as at June 30, 2021) to 570 KLPD and have obtained environmental clearance for such expansion. Further, our Company is evaluating the prospect of manufacturing of 2nd generation ethanol and energy cane to further improve the availability of feedstock for our distillery segment.

The chemicals manufactured by us comprise of ethanol-based chemicals such as ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio- acetic acid and paraldehyde (collectively, the “**Bio-based Chemicals**”). The Bio-based Chemicals manufactured by us find application in various industries, including the agrochemical, cosmetics, flavour and fragrance, food, fuel, paints and coatings and pharmaceutical industries, while the ethanol manufactured are sold to oil marketing companies and also find application in the beverages, pharmaceutical and chemical industries. We have also received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite.

We have consistently invested in R&D and technology, have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years and as on the date of this Draft Red Herring Prospectus, we have patented 13 products/processes and received 41 registrations in relation thereto across different countries. We have three research and development facilities (the “**R&D Facilities**”) which are registered, with the Department of Scientific and Industrial Research, Government of India (“**DSIR**”), with one

R&D Facility located at each Manufacturing Facility and one located in Navi Mumbai, Maharashtra. During Fiscals 2021, 2020 and 2019, we have incurred research and development expenditure aggregating to ₹ 149.89 million, ₹ 148.40 million and ₹ 131.65 million respectively. We have in the past collaborated with various third parties in connection with our research and development activities. For instance, we have entered into the memorandum of understanding dated April 9, 2021 (read with the addendum dated September 9, 2021) with Dr. Sendurai Mani in connection with the development of small molecule inhibitors for cancer and obtained approval in March 2021 to undertake clinical trials in relation to a proposed drug for a period of two years. As at June 30, 2021, we have engaged 38 research scientists at our R&D Facilities, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We also actively support the agricultural research conducted by the K.J. Somaiya Institute for Applied Agriculture Research (“**KIAAR**”) and have entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture seedlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane.

Our customers include marquee players such as Biocon Limited, Cipla Limited, Deccan Fine Chemicals (India) Private Limited, Dr. Reddy's Laboratories Limited, Hershey India Private Limited, Hindustan Coca-Cola Beverages Private Limited, International Flavors & Fragrances, OG Corporation, Prvi Speciality Chemicals Limited, Sun Pharmaceutical Industries Limited, United Spirits Limited and Varun Beverages Limited as well as major oil marketing companies. Over the years, we have significantly expanded our scale of operations and global footprint, and have customers from over 20 countries including Australia, China, France, Germany, Italy, Japan, Kenya, Netherlands, Nigeria, Singapore, Switzerland, United Kingdom, United Arab Emirates and United States of America. We have also established offices in Hoofddorp (Netherlands) and Princeton, New Jersey (United States of America), which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. For Fiscals 2021, 2020 and 2019, our consolidated revenue from operations from outside India contributed 18.62%, 16.94% and 22.53%, respectively, of our consolidated revenue from operations.

We currently have two manufacturing facilities (the “**Manufacturing Facilities**”), with one manufacturing facility located in the Bagalkot district in Karnataka (the “**Sameerwadi Manufacturing Facility**”) and another manufacturing facility located in the Ahmednagar district in Maharashtra (the “**Sakarwadi Manufacturing Facility**”). The Sameerwadi Manufacturing Facility is an integrated facility dedicated to the manufacturing of Rectified Spirits and Ethanol, sugar and power, while the Sakarwadi Manufacturing Facility is currently dedicated to the manufacturing of Bio-based Chemicals. As at June 30, 2021, the Sameerwadi Manufacturing Facility had *inter alia* a sugarcane crushing capacity of 15,000 TCD, an installed capacity of 400 KLPD for rectified spirits, 380 KLPD for ethanol and power plants with an aggregated installed capacity of 49.56 MWH as at June 30, 2021, while at the Sakarwadi Manufacturing Facility the aggregate installed capacity was 101,197.40 MTPA comprising of capacities for ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio-acetic acid and paraldehyde. For additional details in relation to our Manufacturing Facilities, see “*Our Manufacturing Facilities*” on page 159. Our Manufacturing Facilities are equipped with technology relevant for the products manufactured by us. We are Responsible Care® certified and our Registered and Corporate Office and the Sakarwadi Manufacturing Facility are ISO 9001:2015, RC 14001:2015 and ISO 14001:2015 certified. We have obtained certification confirming compliance with the requirements of BONSUCRO in the “production of white refined sugar and molasses from sugarcane”. We have also been permitted by the United States Department of Agriculture to use the “USDA Certified Biobased Product” label for some of our products such as 1,3 butylene glycol and bio-based ethyl acetate.

As a part of our expansion, we propose to expand our manufacturing capabilities at the Sameerwadi Manufacturing Facility by augmenting our sugarcane crushing capacity by 3,000 TCD from 15,000 TCD to 18,000 TCD to support our proposed expansion in production of ethanol and by establishing a unit for the extraction of potash from fly ash generated at the Sameerwadi Manufacturing Facility with an estimated capacity of 10 MT per day. For further details, see “*Objects of the Offer*” on page 89.

We seek to implement sustainable practices in our manufacturing process and seek to purchase sugarcane from farmers who implement sustainable practices and implement and produce products which have a lower environmental impact. We seek to utilise all of our by-products and minimise waste as part of our operations. We have installed an incineration boiler at the Sameerwadi Manufacturing Facility, which uses spent wash (which is waste produced while producing rectified spirits) to generate steam for our distillery operations. We have in the past received awards including the “Water Resource Management in Chemical Industry” Award from the Indian

Chemical Council in 2015, the “Efficiency in Water Usage-Chemicals” award from FICCI in 2016 and the “Outstanding Renewable Energy Generation-Biofuel” award from the Indian Federation of Green Energy in 2019.

A summary of our financial performance during the last three Fiscals is as follows:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Consolidated revenue from operations	15,381.73	14,591.49	15,522.29
EBITDA	1,658.29	1,169.75	1,461.59
Consolidated profit after tax	271.55	40.63	55.33
Consolidated net worth	2,134.87	1,866.97	1,173.65
Revenue from ethanol (as a % of consolidated revenue from operations)	21.28%	16.83%	11.94%
Revenue from Bio-based Chemicals (as a % of consolidated revenue from operations)	34.96%	31.22%	39.26%

We are the flagship company of the diversified Somaiya group, which has interests in inter alia the education, agricultural research, renewable energy and healthcare industries. We are able to leverage the experience, capabilities and reputation of the Somaiya group in our business operations. Further, we have strong and well experienced Board and key managerial personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Samir Shantilal Somaiya, who is also our Chairman and Managing Director, has played a significant role in our development and growth. For further, details in relation to Samir Shantilal Somaiya and our other Directors and key managerial personnel, see “*Our Management*” on page 187.

Our Strengths

We are one of the largest producers of ethanol and a pioneer in manufacturing ethanol based chemicals in India.

Ethanol is an organic solvent having high solubility and the major applications of ethanol include fuel & fuel additives, disinfectant, beverages, personal care and industrial solvents.

We are one of the largest producers of ethanol in India (*source: Frost & Sullivan Report*), having an installed capacity of 380 KLPD (as at June 30, 2021), and manufacture various grades of ethanol including fuel ethanol, pharma grade ethanol and extra neutral alcohol. We were among the first few companies in India to utilise sugarcane juice and syrup for the production of ethanol and a pioneer in the manufacturing of ethanol-based chemicals in India (*source: Frost & Sullivan Report*).

We also aim to diversify feedstock used in the production of Rectified Spirits and Ethanol. Towards this end, we are evaluating various avenues, including developing capabilities for utilising grains (including maize) as feedstock in the production of Rectified Spirits and Ethanol. In order to improve the valorisation of sugarcane and in light of the government initiatives for increasing fuel ethanol blending, we intend to expand our capacity for manufacturing rectified spirits from 400 KLPD (as at June 30, 2021) to 600 KLPD and ethanol from 380 KLPD (as at June 30, 2021) to 570 KLPD and have obtained environmental clearance for such expansion. We are also evaluating entering into the production of 2nd generation ethanol, which is based on biomass such as sugarcane bagasse, wheat straw, rice straw and crop stubble that can be converted into ethanol.

Our customers for ethanol include oil marketing companies pursuant to the ethanol blended petrol program of the Government of India (the “**EBP Program**”). According to the Frost & Sullivan Report, the Indian ethanol market is projected to grow from USD 3.6 billion in 2020 to USD 8.9 billion by 2025, exhibiting a CAGR of 19.8% during 2020-2025, with the demand for ethanol set to grow significantly pursuant to the National Biofuel Policy 2018, which has put forth an ethanol blending target of up to 20% starting from April 1, 2023.

As at June 30, 2021, we had an installed capacity of 380 KLPD for ethanol with capacity utilisation of 58.87%, 53.09%, 66.33% and 92.96% for the three months ended June 30, 2021 and Fiscals 2021, 2020 and 2019, while our consolidated revenue from ethanol during Fiscals 2021, 2020 and 2019 was ₹ 3,273.16 million, ₹ 2,456.22 million and ₹ 1,853.65 million.

Bio-chemicals are an emerging focus among manufacturing industries and our Company is the only company in India with such a vast portfolio of bio-based products (*source: Frost & Sullivan Report*). We are the largest manufacturer of MPO worldwide, one of only two manufacturers of natural 1,3 butylene glycol globally and the

fourth largest manufacturer of ethyl acetate in India and the only company in India to produces bio ethyl acetate (source: Frost & Sullivan Report).

A summary of industry applications and growth trajectory of our Bio-based Chemical portfolio in accordance with the Frost & Sullivan Report:

Our Bio-based chemicals	Global market size	Estimated global market CAGR	Key industry application areas
1,3 Butylene Glycol	39,100 MT (2020)	4.7% (20-25% for Natural 1,3 Butylene Glycol) (2020-2025F)	Cosmetics & personal care, paints and coatings, polymer and food
Bio-Ethyl Acetate	3.9 million MT (2019)	12-14% (2019-2024F)	Paints & coatings, adhesives, pharmaceuticals, flavours & fragrances, flexible packaging and lamination
Ethyl Acetate		4.5% (2019-2024F)	
Crotonaldehyde	105 KT (2020)	4.4% (2020–2025F)	Chemical intermediates (including food preservatives), alcohol denaturants, surfactants and insecticides
MPO	9,000 MT (2021)	1.6% (2020-2025F)	Fragrance Industry

We utilize our experience in ethanol-based chemicals to manufacture a wide range of Bio-based Chemicals including ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio-acetic acid and paraldehyde. We believe that the Bio-chemicals manufactured by us helps our customers substitute conventional materials without loss of functionality. Additionally, we also intend to diversify our Bio-based Chemical offerings by utilising acetaldehyde and ethanol as raw materials to produce EVE and utilising bagasse to manufacture xylitol and cellulose and its derivatives (including MCC). We have received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite.

The European regulation concerning the ‘Registration, Evaluation, Authorisation and Restriction of Chemicals’ (“**REACH**”) has in 2015, banned products including glues containing toluene, chloroform, or benzene and this ban might be adopted by other regions as well, which will enhance the need to move to a green solvent like bio ethyl acetate which will in turn benefit our Company (source: Frost & Sullivan Report).

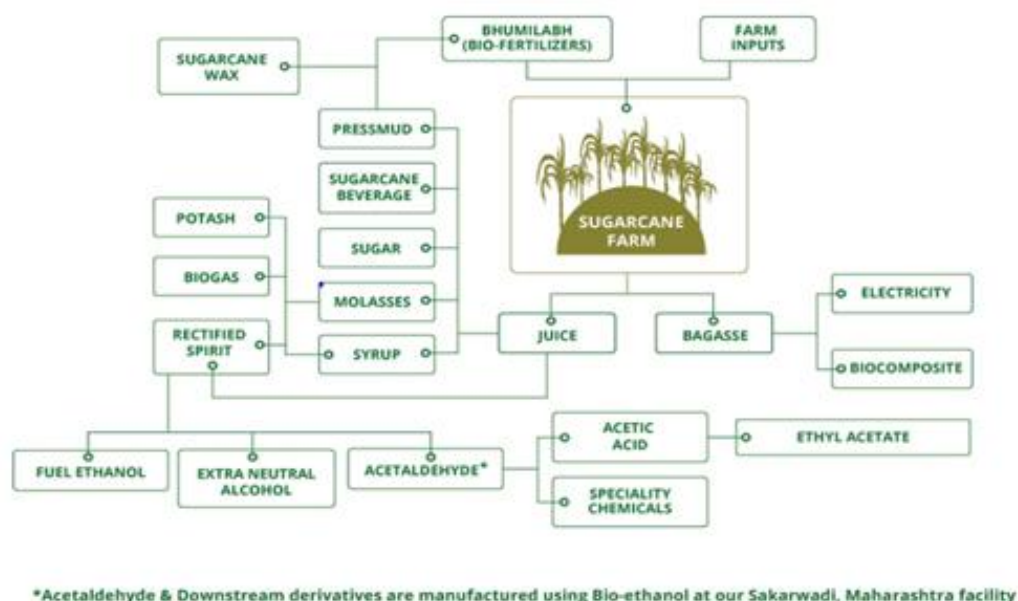
For the Fiscals 2021, 2020 and 2019, our consolidated revenue from the sale of Bio-based Chemicals was ₹5,376.79 million, ₹4,555.62 million and ₹6,093.32 million, respectively.

We believe that the changing regulatory framework for fuel ethanol blending, market trend towards Bio-based Chemical products, our existing relationships with customers in relevant industries, our manufacturing capabilities and record in commercialization of products across the value chain, will assist us in exploiting the opportunities in the ethanol and Bio-based Chemicals sectors.

We are a fully integrated biorefinery company with well-established relationships with farmers of sugarcane

We are a fully integrated biorefinery company using sugarcane as a primary feedstock to manufacture a range of products across the value chain including sugar, ethanol, chemicals, power and other products. According to the Frost & Sullivan Report, our Company is the only company in India to have such a vast portfolio of bio-based products.

Set forth below is an illustration of our product value chain:



The sugarcane feedstock is processed at our Sameerwadi Manufacturing Facility for the manufacturing of sugar and Rectified Spirits and Ethanol and the press mud is utilised for the manufacturing of fertilizer under the “Bhumilabh” brand. The bagasse is also used for the generation of power. We have the ability to divert syrup/ juice to produce ethanol which helps us create optionality between production of sugar and ethanol. In Fiscals 2021, 2020 and 2019, we diverted 35.35%, 26.23% and 13.67% of sugar in cane in the manufacturing of Ethanol to take advantage of the EBP Program. According to the Frost & Sullivan Report, only Brazilian mills have this degree of optionality. We believe that such flexibility helps us adapt to changing market dynamics and optimize our product mix to optimize realizations and achieve better margins. Further, most of our power requirements at the Sameerwadi Manufacturing Facility are met by in-house power generated by the unit.

Our Sakarwadi Manufacturing Facility utilizes purchased ethanol or rectified spirits and can use ethanol and rectified spirits manufactured by us at the Sameerwadi Manufacturing Facility to manufacture specialty chemicals including bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde and paraldehyde and commodity chemical viz. ethyl acetate. We are in the process of expanding our Sakarwadi Manufacturing Facility to expand our capacity for existing products and introduce additional ethanol based chemicals.

We are also planning the manufacturing of cellulose and its derivatives by *inter alia* utilising the bagasse of sugarcane and intend to leverage our expertise and capabilities to manufacture additional products across the value chain.

Given the long history of our businesses, we have a history of sourcing sugarcane and have strong relationships with farmers of sugarcane. We currently source our sugarcane from a large network of farmers across Karnataka and have instituted a number of farmer related initiatives. We provide technical guidance to farmers in relation to *inter alia* agronomic practices and intercropping with other crops and provide seedlings to farmers. We assist farmers in soil/water testing and provide crop specific recommendations of fertilisers, micronutrients and pesticides.

We also organise farmer training programmes and field visits. Further, a significant number of farmers are connected with and interested in our Company as Shareholders. We also actively support the agricultural research conducted by KIAAR, which facilitates research on *inter alia* intercropping, drip irrigation, sugarcane yield, soil nutrient dynamics and sustainable agricultural practices. We have entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture settlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane.

We believe that our strong relationships and goodwill among the farmers, our integrated manufacturing capabilities, comprehensive product portfolio and focus on improving valorisation of sugarcane through

introduction of new products enables us to adapt to changing market conditions and exercise better control on our input prices.

Diversified product portfolio and well-established relationships with a diversified customer base across industries.

We have over the years expanded and diversified our manufacturing capabilities and product portfolio and have a diversified product portfolio, which primarily include Bio-based Chemicals, sugar and Rectified Spirits and Ethanol. We believe that our diversified product portfolio has reduced our dependence on any specific product category or products.

Set forth below are details of the contribution of sugar, distillery, Bio-based Chemicals, power and other segments to our consolidated revenue from operations:

Product category	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue (in ₹ million)	% of consolidated revenue from operations (in %)	Revenue (in ₹ million)	% of consolidated revenue from operations (in %)	Revenue (in ₹ million)	% of consolidated revenue from operations (in %)
Sugar	4,912.39	31.94	6,250.09	42.83	6,378.43	41.09
Bio-based Chemicals	5,376.79	34.96	4,555.62	31.22	6,093.32	39.25
Distillery	4,561.62	29.66	3,264.94	22.38	2,607.06	16.80
Power	405.18	2.63	414.72	2.84	335.56	2.16
Unallocated	125.75	0.82	106.12	0.73	107.92	0.70
Total	15,381.73	100.00	14,591.49	100.00	15,522.29	100.00

Our products find application in a number of industries which we believe has enabled us to minimize impact of industry-specific disruptions on our business. Our Bio-based Chemicals find application in various industries, including the agrochemical, cosmetics, flavour and fragrance, food, fuel, paints and coatings and pharmaceutical industries, while the ethanol manufactured by us is sold to oil marketing companies and also find application in the beverages, pharmaceutical and chemical industries.

The key industries to which we cater to and the corresponding revenue from operations by our Company to customers in such industry (expressed as a percentage of our Company's consolidated revenue from operations) is set forth below:

(% of consolidated revenue from operations)

Industry of customer	Fiscal 2021	Fiscal 2020	Fiscal 2019
Food	22.42%	24.01%	26.58%
Fuel	21.69%	16.99%	12.04%
Beverage	9.75%	15.97%	12.12%
Pharmaceuticals	11.49%	8.24%	9.78%
Flavour & Fragrance	7.29%	4.60%	8.36%
Trading	9.23%	9.83%	12.88%
Power	2.63%	2.84%	2.15%
Agrochemicals	2.06%	2.09%	1.52%
Chemicals	1.22%	1.20%	1.05%
Personal Care / Cosmetic	1.01%	1.46%	1.02%
Distributor	1.27%	1.06%	0.55%
Stationery	0.37%	0.61%	0.50%
Adhesive	1.15%	0.66%	0.44%
Paints and Coatings	0.94%	1.47%	0.75%
Packaging	0.76%	0.50%	0.36%
Others	6.71%	8.47%	9.91%
Total	100.00%	100.00%	100.00%

We believe that the wide range of industries we cater to have reduced our dependence on any particular industry and vulnerability to trends in any specific industry.

Our select customers in the food and beverages industry include Hindustan Coca-Cola Beverages Private Limited, United Spirits Limited and Varun Beverages Limited, in the fuel industry include major oil marketing companies, in the flavour and fragrance industry includes International Flavors & Fragrances and Privi Speciality Chemicals Limited, in the pharmaceutical industry includes Biocon Limited, Cipla Limited, Dr. Reddy's Laboratories Limited and Sun Pharmaceutical Industries Limited and in the agrochemical industry include Deccan Fine Chemicals (India) Private Limited.

Separately, we also sell sugar and other foods under our retail brand 'Jivana' and pursuant to the COVID pandemic and the demand created for hand sanitisers, have launched our own sanitiser brand under the name "Paavan".

During the Fiscals 2021, 2020 and 2019, our top five customers contributed 30.89%, 31.36% and 27.81% of our consolidated revenue from operations during the specified periods. We have established long-standing relationships with some of our major customers. Our top five customers in Fiscal 2021 were also our top five customers in Fiscals 2020 and 2019, while five of our top ten customers in Fiscal 2021 have been our customers for the last decade and seven of our top ten customers in Fiscal 2021 have been our customers for the last five years.

Further, we have a strong international presence with customers spread across the world including Australia, China, France, Germany, Italy, Japan, Kenya, Netherlands, Nigeria, Singapore, Switzerland, United Kingdom, United Arab Emirates and United States of America. We have offices in Hoofddorp (Netherlands) and Princeton, New Jersey (United States of America), which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. For Fiscals 2021, 2020 and 2019, our consolidated revenue from operations from outside India contributed 18.62%, 16.94% and 22.53%, respectively, of our consolidated revenue from operations.

A geography-wise break-up of our consolidated revenue from operations is as under:

(% of consolidated revenue from operations)			
Geography	Fiscal 2021	Fiscal 2020	Fiscal 2019
India	81.38	83.06	77.47
Europe*	3.34	4.36	5.92
Middle East**	5.40	4.55	5.13
Africa#	0.09	0.21	0.17
China	2.41	1.68	3.77
Rest of Asia	2.92	3.82	2.48
Rest of the World##	4.46	2.31	5.05
Total	100.00	100.00	100.00

*Includes Netherland, Germany, Switzerland, Sweden, Ukraine, Portugal, Belgium, Spain and France.

** Includes Egypt, Iran, Israel, Jordan, Lebanon, Oman, Saudi Arabia, Syria, Turkey and United Arab Emirates.

#Does not include Egypt.

Includes USA, Canada and Australia.

Based on the above, we believe that our diversified product portfolio together with long-standing relationships with a diversified customer base across industries, helps us to broad base our growth and de-risk our business across customers, industries and geographies.

Well developed in-house research and development capabilities.

We believe that research and development of new products to meet our customers' requirements is a key growth driver of our business. We have three DSIR recognised R&D Facilities comprising of one R&D Facility located within each Manufacturing Facility and one R&D Facility located in Navi Mumbai, Maharashtra. Each of our R&D Facilities are equipped with research and development infrastructure which focuses on the development of new products as well as optimizing our manufacturing processes.

We have consistently invested in R&D and technology and have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years. During Fiscals 2021, 2020 and 2019, we have incurred research and development expenditure aggregating to ₹ 149.89 million, ₹ 148.40 million and ₹

131.65 million respectively during such periods respectively.

We believe that our in-house research and development capabilities have been instrumental in our growth. For instance, we developed capabilities for manufacturing MPO and 1, 3 BG and in 2015 commenced the commercial sale of MPO and 1,3 BG. During Fiscals 2021, 2020 and 2019, MPO and 1,3 BG collectively contributed 7.51%, 5.17% and 8.88%, respectively of our consolidated revenues from operations.

Our research and development activities are aimed at creating value as well as optimising current resources and processes. We seek to collaborate with various third parties in connection with our research and development activities, to leverage their expertise. For instance, we have entered into the memorandum of understanding dated April 9, 2021 (read with the addendum dated September 9, 2021) with Dr. Sendurai Mani in connection with the development of small molecule inhibitors for cancer and obtained approval in March 2021 to undertake clinical trials in relation to a proposed drug for a period of two years.

We have also entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture seedlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane.

As on June 30, 2021, we have a dedicated team of research scientists at each of our R&D Facilities, including 38 research scientists, seven of whom hold doctorates, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. An important area of focus of our research and development activities is to add further value to feedstock and developing additional products in the value chain. For further, details of our research and development activities, see “-Research and Development” on page 163. We believe our R&D team enables us to introduce new products as well as optimise our manufacturing operations, resulting in improved margins.

We are a member of the Somaiya group and have an experienced promoter, board of directors and key managerial personnel

We are a member of the Somaiya group, which has diversified interests in *inter alia* the biorefinery, agricultural research, education and healthcare industries. We believe that we are able to leverage the experience, capabilities and reputation of the Somaiya group in our business operations.

Further, we have a well experienced Board, which is supported by qualified functional heads and key managerial personnel who actively contribute to and participate in our strategies, operations and business development. Our individual Promoter, Samir Shantilal Somaiya, who is also our Chairman and Managing Director, plays a significant role in the development of our business. We believe that we have benefited significantly from our individual Promoter’s experience and capabilities, which has enabled us to understand and anticipate market trends, expand our product portfolio, manage our business operations and growth, leverage customer relationships and respond to changes in the business environment and customer preferences.

Our Executive Directors are experienced in *inter alia* research and development and the agricultural and chemical industries, while our key managerial personnel are experienced in the finance and secretarial functions. For further details in relation to our Board and our Key Managerial Personnel, see “Our Management” on page 187.

Our Strategies

Continuing to diversify product offerings and expanding our manufacturing capabilities.

We currently manufacture a range of products in the value chain from sugarcane, primarily consisting of Bio-based Chemicals, Rectified Spirits and Ethanol, sugar and power. The Bio-based Chemicals currently manufactured by us include ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio-acetic acid and paraldehyde which are downstream products of Rectified Spirits and Ethanol.

We also currently sell sugar and certain other food products under the “Jivana” brand. We intend to leverage our manufacturing capabilities and the reputation of our Company and the Somaiya group to augment the scale of sale of such products, while also expanding the brand to include additional products in synergy with the current product portfolio.

We also intend to expand the installed capacities at our Manufacturing Facilities to support our growth initiatives.

Sameerwadi Manufacturing Facility

We propose to expand sugarcane crushing capacity at our Sameerwadi Manufacturing Facility from 15,000 TCD (as at June 30, 2021) to 18,000 TCD to support our proposal for expanding our capacity for manufacturing rectified spirits from 400 KLPD (as at June 30, 2021) to 600 KLPD and ethanol from 380 KLPD (as at June 30, 2021) to 570 KLPD. We also propose to establish a unit for manufacturing potash with an estimated capacity of 10 MT per day. For further details, see “*Objects of the Offer*” on page 89.

We are evaluating various avenues, including developing capabilities for utilising grains (including maize) as feedstock in the production of Rectified Spirits and Ethanol. We believe that such increase in the installed capacities at the Manufacturing Facilities will enable us to increase our scale of operations and avail benefits of economies of scale.

We have received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, furfural, lignosulphonate and bio-composite.

Additionally, we constantly evaluate opportunities to diversify our product portfolio by adding new products (including downstream and value-added products) which are synergistic with our existing products. We believe that we are well poised and technologically equipped to add additional products in the value chain.

For instance, we intend to diversify our Bio-based Chemical offerings by utilising bagasse to manufacture xylitol, cellulose and its derivatives (including MCC).

The relevance of cellulose is expected to grow in the future years as end-use industries shift away from petroleum-based products and toward sustainable raw materials (*source: Frost & Sullivan Report*). According to the Frost & Sullivan Report, the Indian cellulose market was US\$ 7.69 billion in 2019 is predicted to increase at a rate of 7% per year until 2025. MCC has a wide range of applications including in the pharmaceuticals industry as an excipient and a direct compression binder and in the food industry in nutraceuticals and as a texturizer, anti-caking agent, fat substitute and emulsifier and according to the Frost & Sullivan Report, MCC is expected to grow at a CAGR of 15% between 2020 and 2025.

Further, xylitol, the sweetener used in chewing gums, is widely approved for use in food around the world and is also extensively approved for use in oral hygiene products, pharmaceuticals, cosmetics, and toiletries (*source: Frost & Sullivan Report*). According to the Frost & Sullivan Report, the global market for xylitol was around 224 KT in 2020, while the size of xylitol market in India was ~480 MT in 2020 and India is dependent on the import of xylitol as there is no local production of xylitol.

Sakarwadi Manufacturing Facility

We propose to expand our manufacturing capacity at our Sakarwadi Manufacturing Facility. We have received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including EVE.

We propose to establish a plant for the manufacturing of EVE at the Sakarwadi Manufacturing Facility, which will be India’s first manufacturing plant of EVE (*source: Frost & Sullivan Report*). We are in the process of acquiring land for part of the proposed expansion and will seek to implement the proposed expansion in phases depending on market dynamics. The EVE market in India which was ~1,250 MT in 2020 is expected to grow at 11.5% in value terms and there is currently no local production of EVE in India (Source: Frost & Sullivan Report).

We believe that our relationships with existing customers, established track-record, access to raw materials and quality certifications will help us to successfully commercialize such products and achieve optimum utilization of increased capacities.

Implementation of additional measures for improving feedstock security and increasing value derived from feedstock.

Sugarcane is used as feedstock in the manufacturing of a range of products in the value chain. We have a large

network of farmers in Karnataka, from whom we source sugarcane and long-standing relationships with a large number of farmers. However, given the critical role played by the farmers, we intend to introduce additional measures and strategies to improve and protect feedstock security.

We have introduced and shall continue to introduce and implement farmer related initiatives including providing technical guidance on certain farming practices including selection of varieties, soil, water testing and fertilizers, providing fertilizers, pesticides and irrigation materials, facilitating easier procurement of agricultural inputs by the farmers, organizing farmer training programmes and field visits and providing agricultural inputs to farmers against their future cane supplies.

Further, we propose to augment our sugarcane crushing capacity at the Sameerwadi Manufacturing Facility by 3,000 TCD from 15,000 TCD to 18,000 TCD. For details, see “*Objects of the Offer*” on page 89 which should help us in securing feedstock for our proposed expansion in distillery segment. We are also evaluating the production of 2nd generation ethanol, which is based on biomass such as sugarcane bagasse, wheat straw, rice straw and crop stubble that can be converted into ethanol. We have entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture seedlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane.

We also aim to diversify feedstock used in the production of Rectified Spirits and Ethanol. Towards this end, we are evaluating various avenues, including developing capabilities for utilising grains (including maize) as feedstock in the production of Rectified Spirits and Ethanol.

We believe that such measures would ensure better availability of feedstock and reduce the volatility of the prices we are required to pay for feedstock.

We also intend to leverage our manufacturing capabilities and expertise, to improve the value derived by us from feedstock by developing bagasse-based speciality chemicals and 2nd generational ethanol, and also developing additional downstream or upstream products to ensure complete utilisation of feedstock and by-products of the feedstock. Additionally, we also intend to diversify our Bio-based Chemical offerings by utilising bagasse to manufacture xylitol and cellulose and its derivatives (including MCC) and utilising Acetaldehyde and Ethanol as raw materials to produce EVE. We have received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite.

Increasing the share of business of existing customers

Our product development activities and commercialisation of products developed by us are dependent on the needs and requirements of our customers. We intend to leverage our relationships and goodwill with existing customers, manufacturing capabilities and knowledge of the preferences and requirements of customers, to increase the range of products they purchase from us, including more complex, higher margin products.

We believe that we have been able to and will continue to be able to leverage our relationships with customers to increase the number of products they purchase from us. While Biocon Limited initially purchased ethanol manufactured by us, it has subsequently also commenced purchasing ethyl acetate from us. Similarly, we believe that our long standing relations with customers especially in sugar and Bio-based Chemicals segments helps us understand the customer requirements and should enable us to cross-sell our new products to such customers. For instance, we believe that certain of our customers in the sugar segment also use xylitol and we intend to leverage our relationship with them to sell xylitol manufactured by us.

Further, we aim to enter into new arrangements for developing custom made products for customers. In the past, we have developed MPO for an identified customer. We believe that such manufacturing of products for identified customers enables us to expand our technical capabilities, enables better utilisation of our Manufacturing Facilities and provides us with higher predictability of revenue and cash flows.

We believe that some of our existing customers are market leaders in their respective categories and are generally well regarded for their procurement practices, quality requirements and sustainability practices. We intend to continue to leverage our products and our long-term relationships and credentials with our existing customers and referrals from such customers to further develop and strengthen our customer base.

Continuing focus on implementation of sustainable practices and strengthening our control over our inputs.

Across the world, companies are being pressured to reduce their impact on the environment, with a special focus on climate change, biodiversity, and prudent use of scarce resources. As per Frost and Sullivan Report, the green chemical wave is inevitable, and it is just matter of time by when the adoption of these new age products will be mandatory and obligatory. Our Company, which has a portfolio of green products including ethyl acetate, is the only company in India with such a vast portfolio of bio-based products (*source: Frost & Sullivan Report*).

In addition to our products, we have sought to introduce sustainable practices as part of our operations. We are Responsible Care® certified and have received various awards including the “Water Resource Management in Chemical Industry” Award from the Indian Chemical Council in 2015, the “Efficiency in Water Usage-Chemicals” award from FICCI in 2016, “Outstanding Renewable Energy Generation-Biofuel” award from the Indian Federation of Green Energy in 2019. We have obtained certification confirming compliance with the requirements of BONSUCRO in the “production of white refined sugar and molasses from sugarcane”. We have also been permitted by the United States Department of Agriculture to use the “USDA Certified Biobased Product” label for some of our products such as 1,3 butylene glycol and bio-based ethyl acetate.

We intend to continue implementing sustainable practices in all aspects of our operations. Our product value chain currently originates from the sugarcane feedstock and provides customers with traceability. We advise farmers on agricultural practices to increase productivity and yield for better realization and on seed quality and soil maintenance to promote sustainable agriculture.

We seek to maximise the utilisation of the sugarcane feedstock to manufacture a range of downstream products and accordingly, avoid wastage while maximising our revenue and margins. Every ‘waste stream’ that our Company produces is looked at as a resource for making products. The molasses from sugarcane is used at the Sameerwadi Manufacturing Facility for the manufacturing of Ethanol, while press mud is used for the manufacturing of fertilizer, bagasse is used for generating power and is intended to be used to manufacture bagasse-based chemicals and 2nd generational ethanol in the future. Further, at the Sakarwadi Manufacturing Facility we utilise Rectified Spirits and Ethanol to manufacture a range of Bio-based Chemicals. We also intend to treat the carbon dioxide produced to product bio compressed natural gas.

We have power plants at the Sameerwadi Manufacturing Facility with an aggregated installed capacity of 49.56 MWH as at June 30, 2021. Most of our power requirements at the Sameerwadi Manufacturing Facility are met by power generated at such power plants. Further, we have implemented water resource management practices to reduce our dependence on fresh water sources.

Further, as a part of our aim to build a circular and cascading biorefinery, we intend to establish a unit at the Sameerwadi Manufacturing Facility to manufacture potash. For further details, see “*Objects of the Offer*” on page 89. Potash may be used by farmers as a fertiliser and it improves the quality of the soil and crop yields.

We intend to continue to strengthen our control over the raw materials and power required for our operations by reducing dependence on third parties on raw materials, thereby reducing our expenses and improving our profitability and margins.

Reduction of borrowings and leverage.

With the long-term strategy to reduce our debt to equity ratio to 1:1, we have progressively reduced our borrowings over the last three years. As at March 31, 2021, March 31, 2020, and March 31, 2019, our consolidated total fund based borrowings (including current maturities of non-current borrowings) were ₹5,633.78 million, ₹6,041.25 million and ₹8,009.01 million, respectively, decreasing by 29.66% between March 31, 2019 and March 31, 2021, while our debt to equity ratio has moderated to 2.64 as on March 31, 2021 vis-à-vis 3.24 and 6.82 as on March 31, 2020 and March 31, 2019 respectively. Further, we intend to utilise a portion of the Net Proceeds for the repayment of loans aggregating to ₹ 2,140.00 million. For further details, see “*Objects of the Offer*”. We believe that such repayment/ pre-payment will help us reduce a portion of our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt-to-equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Description of our Products

We utilise sugarcane as a feedstock to manufacture a range of products across the value chain, ranging from Rectified Spirits and Ethanol to Bio-based Chemicals, sugar and power.

Set forth below is the contribution of our products to our consolidated revenue from operations, for the periods indicated below:

Product category	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue	As a % of our consolidated revenue from operations	Revenue	As a % of our consolidated revenue from operations	Revenue	As a % of our consolidated revenue from operations
	(in ₹ million)	(in %)	(in ₹ million)	(in %)	(in ₹ million)	(in %)
Biochemicals	5,376.79	34.96	4,555.62	31.22	6,093.32	39.26
<i>Which includes:</i>						
<i>Ethyl Acetate and Bio Ethyl Acetate</i>	3,325.79	21.62	2,756.38	18.89	3,711.96	23.91
<i>Speciality Chemicals</i>	1,870.71	12.16	1,599.75	10.96	2,129.48	13.71
<i>Others</i>	180.29	1.17	199.49	1.37	251.88	1.62
Rectified Spirits and Ethanol	4,561.62	29.66	3,264.94	22.38	2,607.06	16.80
<i>Rectified spirits</i>	116.43	0.76	65.81	0.45	12.73	0.08
<i>Ethanol</i>	3,273.16	21.28	2,456.22	16.83	1,853.65	11.94
<i>Others</i>	1,172.03	7.62	742.91	5.09	740.68	4.77
Sugar	4,912.39	31.94	6,250.09	42.83	6,378.43	41.09
Power	405.18	2.63	414.72	2.84	335.56	2.16
Unallocated	125.75	0.82	106.12	0.73	107.92	0.70
Revenue from operations	15,381.73	100.00	14,591.49	100.00	15,522.29	100.00

A brief description of our products is set forth below:

Bio-based Chemicals

The Bio-based Chemicals manufactured by us currently comprise of Ethanol based chemicals such as ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio- acetic acid and paraldehyde. The Bio-based Chemicals manufactured by us find application in various industries, including the agrochemical, cosmetics, flavour and fragrance, food, fuel, paints and coatings and pharmaceutical industries.

Rectified Spirits and Ethanol

We are engaged in the manufacturing of rectified spirits, which are converted to various grades of ethanol including fuel ethanol, pharma grade ethanol and extra neutral alcohol. Rectified Spirits and Ethanol manufactured by us is sold to oil marketing companies and also find application in the beverages, pharmaceutical and chemical industries.

Sugar

We are engaged in the manufacturing of sugar from sugarcane. Our domestic customers for sugar include some large companies in the Indian food and beverages industry and we also export a portion of sugar manufactured by us. In addition to the sales to institutional customers, we also sell packaged sugar under own brand “Jivana”.

Power

We generate power at the Sameerwadi Manufacturing Facility utilising bagasse from the feedstock. The power generated is used to meet most of our power requirements at the Sameerwadi Manufacturing Facility. We also sell power generated to power distribution companies.

Other products

The other products currently manufactured by us include salt, turmeric and sugarcane juice (sold under the “Jivana” brand), bio-fertilizers (sold under the “Bhumilabh” brand), ethyl lactate, wax, tri ethoxy butane and bio-composite.

We also intend to commence the manufacturing of EVE and bagasse-based products such as xylitol, cellulose and MCC and 2nd generation Ethanol.

We also intend to utilise a portion of the Net Proceeds to fund the establishment of a unit at the Sameerwadi Manufacturing Facility for the manufacturing of potash.

Our Manufacturing Facilities

We currently have two Manufacturing Facilities. The Sameerwadi Manufacturing Facility is located in the Bagalkot district in Karnataka, while the Sakarwadi Manufacturing Facility is located in the Ahmednagar district in Maharashtra.

The Sameerwadi Manufacturing Facility is dedicated to the crushing of sugarcane and manufacturing of sugar, Rectified Spirits and Ethanol and power, while the Sakarwadi Manufacturing Facility is dedicated to the manufacturing of Bio-based Chemicals.

Our Manufacturing Facilities are equipped with technology relevant for the products manufactured by us. We are Responsible Care® certified and our Registered and Corporate Office and the Sakarwadi Manufacturing Facility are ISO 9001:2015, RC 14001:2015 and ISO 14001:2015 certified.

Details of the installed capacity, actual production and capacity utilisation at the Sameerwadi Manufacturing Facility for the three months ended June 30, 2021 and Fiscals 2021, 2020 and 2019 with respect to sugarcane crushing, ethanol and rectified spirits are set forth below:

Particulars	As at and for the three months ended June 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Sugarcane crushing capacity				
Installed capacity at end of period/Fiscal (in TCD) (A)	15,000.00	15,000.00	15,000.00	15,000.00
Actual production during period/Fiscal (in TCD) (B)	0.00	14,229.00	13,735.00	15,241.00
Capacity utilisation in period/Fiscal (in %) (C=B/A*100)	-	94.86	91.57	101.61*
Total sugarcane crushed in period/Fiscal (in MT)	-	2,002,849	1,526,609	1,727,279
Season/ working days	-	142	113	115
Ethanol				
Installed capacity at end of period/Fiscal (in KLPD) (A)	380.00	380.00	293.50	150.00
Actual production during period/Fiscal (in KLPD) (B)	224.00	202.00	195.00	139.00
Capacity utilisation in period/fiscal (in %) (C=B/A*100)	58.87	53.09	66.33	92.96
Rectified spirits				
Installed capacity at end of period/Fiscal (in KLPD)	400.00	400.00	320.00	200.00
Actual production during period/Fiscal (in KLPD)** (B)	208.00	264.00	225.00	169.00
Capacity Utilisation in period/fiscal (in %) (C=B/A*100)	51.99	66.07	70.19	84.41

Particulars	As at and for the three months ended June 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Operating days for distillery	85.50	270	250.90	287.30

* In Fiscal 2019, the capacity utilisation was 101.61% as there were minimum stoppages in season 2018-19.

**The details with respect to the actual production of rectified spirits includes secondary production and re-distillation.

The details of the installed capacity, actual production and capacity utilisation at the power plants at our Sameerwadi Manufacturing Facility for the three months ended June 30, 2021 and Fiscals 2021, 2020 and 2019 are set forth below:

Particulars	As at and for the three months ended June 30, 2021	As and for the Fiscals ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Installed capacity at end of period/Fiscal (in MWH) (A)	45.56	45.56	45.56	45.56
Actual production in period/Fiscal (in MWH) (B)	30.36	39.99	38.81	42.43
Capacity utilisation in period/fiscal (in %) (C=B/A*100)	50.33	87.77	85.18	93.13

The distillery at the Sameerwadi Manufacturing Facility has a 4MW turbine. Power generated from such turbine is captively consumed.

The details of the installed capacity, available capacity, actual production and capacity utilisation at the Sakarwadi Manufacturing Facility for the three months ended June 30, 2021 and Fiscals 2021, 2020 and 2019 with respect to Bio-based Chemicals are set forth below:

Particulars	As at and for the three months ended June 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Installed capacity as at end of period/Fiscal (in MTPA)	101,197.40	101,197.40	101,197.40	101,197.40
Available capacity in period/Fiscal (in MT) (A)	25,299.35	101,197.40	101,197.40	101,197.40
Actual production in period/Fiscal (in MT) (B)	16,624.14	76,003.58	72,079.48	77,819.12
Capacity utilisation in period/Fiscal (in %) (C=B/A*100)	65.71	75.10	71.23	76.90

The Sakarwadi Manufacturing Facility has turbines of capacity 2.3 MW. Power generated from such turbines is consumed captively.

We propose to expand sugarcane crushing capacity at our Sameerwadi Manufacturing Facility from 15,000 TCD (as at June 30, 2021) to 18,000 TCD to support our proposal for expanding our manufacturing capacity for rectified spirits from 400 KLPD (as at June 30, 2021) to 600 KLPD and ethanol from 380 KLPD (as at June 30, 2021) to 570 KLPD. We also propose to establish a unit for the manufacturing of potash with an estimated capacity of 10 MT per day. For further details, see “Objects of the Offer” on page 89.

We propose to expand our manufacturing capacity for various chemicals at our Manufacturing Facilities and have already received environmental clearance for the same. We have also received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite. We propose to set up India’s first manufacturing plant of EVE (source: Frost & Sullivan Report) at the Sakarwadi Manufacturing Facility. We are in the process of acquiring land for part of the proposed expansion and will seek to implement the proposed expansion in phases depending on market dynamics.

Utilities

As part of our manufacturing operations, we require a steady and abundant supply of power. A significant portion of our aggregate power requirements are met through captive power generation which is largely manufactured by utilizing bagasse, a by-product of sugarcane crushing.

The power plants at the Sameerwadi Manufacturing Facility have an aggregate capacity of 49.56 MWH as at June 30, 2021 and the power generated is utilised by us to meet most of our power requirements at the Sameerwadi Manufacturing Facility. Similarly, a part of our power requirements at the Sakarwadi Manufacturing Facility are met by the power generated captively. The remaining power requirements at our Sameerwadi Manufacturing Facility and Sakarwadi Manufacturing Facility are procured from the relevant state electricity board.

We primarily source water at the Sameerwadi Manufacturing Facility from the Ghataprabha River, while water is primarily sourced at the Sakarwadi Manufacturing Facility from a well owned by our Company, the Godavari river and the Godavari Left Bank Canal.

Manufacturing process

We manufacture diversified set of products including Bio-based Chemicals, sugar, rectified spirits, ethanol and other grades of alcohol and power and each of our product/product groups have their individual processes of manufacturing. Our manufacturing units and equipment are well suited for our product characteristics and certain equipment which can be used across products are well suited to allow us to operate flexibly between changeovers.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in relation to our Manufacturing Facilities. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. For further details see “*Key Regulations and Policies in India*” and “*Government and Other Approvals*” on pages 166 and 292 respectively.

Our Manufacturing Facilities possess effluent treatment processes in compliance with applicable law. We are one of the few Indian chemical companies to have obtained Responsible Care® certification by the Indian Chemical Council.

Health and safety

Our Company is a signatory to the Responsible Care Program instituted in India by the Indian Chemical Council. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, occupational health and safety policy that is aimed at *inter alia* preventing environmental pollution, preventing injury and ill health to our personnel and other interested parties, complying with applicable legal and regulatory and other environmental, occupational health and safety requirements and optimising use of resources. We have received the First Prize in the “Best Safe Industrial Boiler” category for adopting best safe practices in the year 2015 from the Karnataka State Safety Institute, Government of Karnataka in 2016.

Environment, social and governance

Sustainability is a prevailing theme in our operations as we seek to build a circular and cascading biorefinery. We seek to implement sustainable practices in our manufacturing process, purchase sugarcane from farmers who implement sustainable practices and implement and produce products which have a lower environmental impact. We seek to utilise all of our by-products and minimise waste as part of our operations. We utilise bagasse at the Sameerwadi Manufacturing Facility to generate power.

We also seek to ensure minimum water wastage in our manufacturing operations. We have in the past received awards including the “Water Resource Management in Chemical Industry” Award from the Indian Chemical Council in 2015, the “Efficiency in Water Usage-Chemicals” award from FICCI in 2016 and “Outstanding Renewable Energy Generation-Biofuel” award from the Indian Federation of Green Energy in 2019.

Raw materials

Details of cost of materials consumers for Fiscal 2021, Fiscal 2020 and Fiscal 2019 are as under:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sugarcane	6,598.03	5,071.71	5,597.09
Feedstock for chemicals business	3,611.67	3,292.08	4,447.45
Others including feedstock for distillery business, agricultural inputs and others	624.55	436.70	463.32
Total cost of Material	10,834.25	8,800.49	10,507.87

The primary raw material for the manufacturing of sugar, the Rectified Spirits and Ethanol and power is sugarcane feedstock while the primary raw materials for the manufacturing of the Bio-based Chemicals include ethanol, acetic acid and methyl ethyl ketone. We procure sugarcane from farmers in geographical proximity to our Sameerwadi Manufacturing Facility, feedstock for our distillery business (Molasses) and other raw materials largely from domestic sources and feedstock for our chemical business from domestic and international vendors. Except for sugarcane, which we purchase based on availability and our processing capacity, 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.

31.38%, 30.16% and 36.57% of our consolidated expenditure on raw materials in Fiscals 2021, 2020 and 2019, was incurred on imported raw materials.

We do not typically enter into long-term binding contracts with any of our other raw material suppliers. However, we believe that our relationship with our customers and repeat business from them has allowed us to establish and maintain relationships with some of our key raw materials suppliers.

Quality control and quality assurance

We believe that maintaining a high standard of quality of our products and our Manufacturing Facilities is critical to our growth and continued success. We are Responsible Care® certified and our Registered and Corporate Office and the Sakarwadi Manufacturing Facility are ISO 9001:2015, RC 14001:2015 and ISO 14001:2015 certified. We have obtained certification confirming compliance with the requirements of BONSUCRO in the “production of white refined sugar and molasses from sugarcane”. We have also been permitted by the United States Department of Agriculture to use the “USDA Certified Biobased Product” label for some of our products such as 1,3 butylene glycol and bio-based ethyl acetate.

Certain of our customers perform their own quality checks at our Manufacturing Facilities to ensure that our products meet their demands and comply with the requirements. In addition, our Manufacturing Facilities are subject to compliance audits in relation to quality management by third party agencies appointed by our customers.

We have put in place quality systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy, and safety of our products. Various in-process quality checks are performed to monitor product quality during the manufacturing process. We also conduct supplier quality evaluation processes, and our quality control department ensures that materials received comply with our internal standards and specifications which are designed to satisfy the requirements set forth by our customers. We believe that provision of high-quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with key customers.

We have a dedicated team of qualified professionals that is responsible for maintaining our required quality standards. We believe that we implement and maintain best industry practices including for, adequate premises and space, suitable equipment, appropriate use of raw materials, carrying out our manufacturing through approved procedures and instructions.

Inventory management

Our finished products, raw materials as well as intermediate products are stored on-site at our Manufacturing Facilities at the godowns and storage tanks at the Manufacturing Facilities. From time to time, we utilise external storage facilities for storage of raw materials, as required. These inventory levels are planned based on contractual quantities and expected orders. 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.

Research and development

We believe that research and development is crucial for our future growth. Our research and development efforts are driven by the requirements of customers (potential and current) and we regularly monitor industry trends to ensure our products and production techniques remain relevant given the evolving market and customer requirements.

We have three DSIR recognised R&D Facilities comprising of one R&D Facility located within each Manufacturing Facility and one R&D Facility located in Navi Mumbai, Maharashtra. Each of our R&D Facilities are equipped with research and development infrastructure and are focused on the development of new products as well as optimizing our manufacturing processes. We regularly monitor and update our research and development capabilities.

We have a dedicated team of highly qualified research scientists holding advanced degrees, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products and reduce production costs with respect to existing products. As at June 30, 2021, we have engaged 38 research scientists at our R&D Facilities.

We also sponsor research by third party research institutes and engage consultants to leverage their technical expertise in relation to *inter alia* development of new products and/or processes. For instance, we have entered into the memorandum of understanding dated April 9, 2021 (read with the addendum dated September 9, 2021) with Dr. Sendurai Mani in connection with the development of small molecule inhibitors for cancer and obtained approval in March 2021 to undertake clinical trials in relation to a proposed drug for a period of two years. We have also entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture settlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane. NABARD has sanctioned a grant to KIAAR for a project for smart farming solutions for sustainable agriculture in sugarcane.

Logistics

We transport our raw materials and our finished products by air, road and sea. Raw materials are transported to our Manufacturing Facility by third-party logistics and transportation agencies. We typically enter into annual contracts with logistics and transportation service providers.

Domestic sales are typically executed on an “ex-factory” basis, pursuant to which our customers arrange for the pick-up of products from our Manufacturing Facilities. For certain domestic customers, we make appropriate arrangements for the transportation of products after considering quality, safety and cost aspects.

International sales are typically exported to customers on a cost, insurance and freight basis. For exports, our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading waybills.

Sales, marketing and distribution

As at June 30, 2021, we have an in-house team of 49 employees dedicated to the sales, marketing and distribution of our products, which helps us maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers as well as their future requirements. Our presence in Europe through our Subsidiaries enables us to service international demand. We have also established offices in Hoofddorp (Netherlands) and Princeton, New Jersey (United States of America), which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. Further, in addition to our Registered and Corporate Office, we also established branch offices in New Delhi and Bengaluru in India.

Customers

We have a diversified customer base, in India and abroad. Our customers include multinational companies as well as domestic companies. We supply our products to customers from over 20 countries including Australia, China, France, Germany, Italy, Japan, Kenya, Netherlands, Nigeria, Singapore, Switzerland, United Kingdom, United Arab Emirates and United States of America.

We cater to marquee customers in various industries. For instance, a few of our customers in the food and beverages industry include Hindustan Coca-Cola Beverages Private Limited, United Spirits Limited and Varun Beverages Limited, in the fuel industry include major oil marketing companies, in the flavour and fragrance industry includes International Flavors & Fragrances, in the pharmaceutical industry includes Biocon Limited, Cipla Limited, Dr. Reddy's Laboratories Limited and Sun Pharmaceutical Industries Limited and in the agrochemical industry include Deccan Fine Chemicals (India) Private Limited.

We believe that our experience of working with a diverse set of well-reputed customers and our long-term relationships with some of our key customers is a testament to our ability to evolve our capabilities to meet our customers' requirements.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthening our competitive position. We facilitate the training our employees, with the aim of improving their productivity and maintaining compliance standards on quality and safety.

As of June 30, 2021, our Company had 1,517 permanent employees and had engaged 327 contract labourers.

Information technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our Manufacturing Facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. We also utilize an enterprise resource planning solution which covers production, finance, sales, marketing logistics, purchase and inventory, across our Manufacturing Facilities. We utilize our ERP software to manage our levels of inventory on a real-time basis.

Competitors

We compete with different companies depending on the market and type of products. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions.

Intellectual property

As on the date of this Draft Red Herring Prospectus our Company has obtained 53 trademarks under the Trade Marks Act, 1999 (including registrations under classes 1, 3, 4, 5, 9, 16, 19, 20, 22, 24, 30, 31, 32, 35, 37, 38, 40, 42 and 44). We have obtained trademark registration in relation to our logo and certain of our products. Further, our Company has also obtained seven copyright registrations under the Copyright Act, 1957, which includes a registration with respect to our logo.

Further, as on the date of this Draft Red Herring Prospectus, we have patented 13 products/processes and received 41 registrations in relation thereto across different countries including Australia, Canada, France, Germany, India, Israel, Netherlands, New Zealand, Russia, South Africa, United Kingdom and United States of America.

Additionally, we have entered into the agreement for license to use trademark dated May 28, 2021 with K.J. Somaiya and Sons Private Limited for usage of the "Somaiya" trademark. For further details, see "*History and Certain Corporate Matters-Other Material Agreements*" on page 180.

Insurance

Our Company maintains insurance policies in relation to *inter alia* public liability, industrial all risks, fire, fidelity and money for both of our Manufacturing Facilities. We have also obtained fire and special perils, money and fidelity insurance policies with respect to our Registered and Corporate Office and a fire and special perils policy with respect to our research and development facility in Navi Mumbai.

Additionally, we have obtained a directors and officers liability insurance policy with respect to the directors and officers of our Company and our subsidiaries.

Corporate social responsibility

We incurred an expenditure of ₹0.59 million, ₹0.47 million and ₹1.88 million in Fiscals 2021, 2020 and 2019 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013, including towards promotion of education.

Properties

Our Registered and Corporate Office is located on premises leased from Filmedia Communication Systems Private Limited, a member of the Promoter and Promoter Group. A majority of the Sameerwadi Manufacturing Facility is located on owned premises with a portion being located on leased premises, while the Sakarwadi Manufacturing Facility is located on owned premises. Our other offices and our research and development facility in Navi Mumbai are located on leased premises.

Further, we have entered into separate memorandum of understandings, each dated September 13, 2021 (the “**Property MOUs**”), with Somaiya Chemical Industries Private Limited (“**SCIPL**”), Somaiya Properties and Investments Private Limited (“**Somaiya Properties**”) and Sakarwadi Trading Company Private Limited (“**Sakarwadi Trading**” and collectively with SCIPL and Somaiya Properties, the “**Sellers**”), for the purchase of approximately 190,232.56 square meters of land cumulatively, located near the Sakarwadi Manufacturing Facility (the “**Lands**”) from the Sellers for an aggregate consideration of ₹ 182.08 million, of which 10% has been paid by our Company to the Sellers on September 15, 2021, in accordance with the Property MOUs (net of tax deducted at source). Each Seller is required to sell their respective Land to us within a period of one year from the execution of the relevant memorandum of understanding or such extended date as may be agreed. For further details, see “*History and Certain Corporate Matters- Other Material Agreements*” on page 180. We intend to use the Lands procured towards expansion of the Sakarwadi Manufacturing Facility.

KEY REGULATIONS AND POLICIES IN INDIA

The following is an overview of the relevant sector specific laws and regulations which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by our Company, see “Government and Other Approvals” beginning on page 292.

Laws in relation to our business

The Food Safety and Standards Act, 2006 (“FSS Act”)

The FSS Act was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (“FSSAI”), for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The FSS Act, among other things, also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal.

For enforcement, under the FSS Act the ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ have been granted with detailed powers of seizure, sampling, taking extracts and analysis. Penalties are levied for various defaults such as for selling food not of the nature or substance or quality demanded, sub-standard food, misbranded food, misleading advertisement, food containing extraneous matter, for failure to comply with the directions of Food Safety officer, for unhygienic or unsanitary processing or manufacturing of food, for possessing adulterant. Apart from the penalties, there are punishments prescribed for selling, storing, distributing or importing unsafe food, for interfering with seized items, for providing false information, for obstructing or impersonating a Food Safety officer, for carrying out a business without a licence and for other subsequent offences.

The FSS Act also contains the provision for offences by the companies. Further, the Food Safety and Standards Rules, 2011 (“FSSR”) which have been operative since August 5, 2011, provide, among other things, the qualifications mandatory for the posts of the ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’, and the procedure for taking extracts of documents, sampling and analysis.

In order to address certain specific aspects of the FSS act, the FSSAI has framed several regulations such as the following:

- (a) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- (b) Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- (c) Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- (d) Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- (e) Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- (f) Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

Further, FSSAI has issued guidance note on ‘Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic’ (“**Guidance Note**”) with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. Additionally, it also provides guidance in relation to operative mechanism such as establishment of an in-house emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 Screening Protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough and cold. The entrance shall mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitisers,

avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food businesses shall ensure that food handlers involved in food packaging should maintain a high level of personal hygiene and social distancing. All measures shall be adopted to ensure that food packaging is kept clean and away from sources of contamination. The Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011 (“**Schedule**”). The Schedule enumerates multiple compulsory measures to be adopted by food business operators in the interest of human nutrition, safety and hygiene. The Schedule mandates that the premises shall be clean, adequately lighted and ventilated, and sufficient free space for movement shall be made available. In relation to packaging of the products, it requires that the confectionary products should be wrapped/package only after proper cooling. No vessel, container or other equipment, the use of which is likely to cause metallic contamination injurious to health shall be employed in the preparation, packing or storage of food. The finished products should be refrigerated with proper labels indicating date of expiry. In relation to personal hygiene –all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination. Further, among other things, eating, chewing, smoking, spitting and nose blowing shall be prohibited within the premises especially while handling food, and persons suffering from infectious diseases shall not be permitted to work. Any cuts or wounds shall remain covered at all times and the person should not be allowed to come in direct contact with food.

The Factories Act, 1948 (“Factories Act”)

The term ‘factory’, as defined under the Factories Act, includes 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 mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

The Motor Vehicles Act, 1988

The Act pertains to the licensing and registration of motor vehicles. It outlines the scope, requirements, renewal and grounds of revocation of licenses of drivers of motor vehicles, and the process, transfer of ownership, and revocation of registration of motor vehicles. It also lays down the guidelines for application, transfer and validity of permits. Furthermore, it covers the various penalties that can be incurred for contravention of any provisions of the Act, for driving dangerously, and for offences relating to accidents.

The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boiler Regulations”)

The Boilers Act seeks to regulate *inter alia*, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

The Public Liability Insurance Act, 1991 (“PLI Act”)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules prescribes for the 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.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till September 30, 2021) provides that no person or company can make exports or imports without having obtained an importer exporter code (“IEC”) number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce (“DGFT”). An importer-exporter code 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.

The DGFT by way of a notification dated May 24, 2019 (the “**Ethyl Alcohol Notification**”), has amended the import policy of biofuels under chapter 22, 27 and 38 of ITC(HS), 2017, Schedule -I. Pursuant to the Ethyl Alcohol Notification, the import of ethyl alcohol and other spirits, which are denatured is “restricted” for all purposes. Any import of ethyl alcohol, in a denatured form will require an import license from the DGFT.

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.

Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act, which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act provides for establishment of Bureau of Indian Standards to take all necessary steps for promotion, monitoring and management of the quality of goods, articles, processes, systems and services, as may be necessary, to protect the interests of consumers and various other stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other

things, repairing or replacement or reprocessing of standard marked goods or services sold by a certified body but not conforming to the relevant Indian Standard.

Bureau of Indian Standards Rules, 2018 (“BIS Rules”)

Further, the Ministry, vide notification no. G.S.R. 584(E) dated June 25, 2018, has notified the BIS Rules. The BIS Rules have been notified in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. According to the BIS Rules, the Bureau shall establish Indian Standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian Standards so established as may be necessary.

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 National Policy on Biofuels - 2018 (“Biofuel Policy”)

The Biofuel Policy categorises biofuels as "basic biofuels" and expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes, unfit for human consumption for ethanol production. With a thrust on advanced biofuels, the Biofuel Policy indicates a viability gap funding scheme for 2G ethanol bio refineries of ₹ 5000 crore in 6 years in addition to additional tax incentives, higher purchase price as compared to 1G biofuel. The Biofuel Policy encourages setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, used cooking oil, short gestation crops.

The Narcotic Drugs and Psychotropic Substances, Act, 1985 (“NDPS Act”) and the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 (“NDPS Order”)

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia*, the production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes, and in the manner and to the extent permissible by the NDPS Act or any rules framed thereunder. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines. The NDPS Order classifies certain substances including, acetic anhydride and anthranilic acid as “controlled substances” in Schedule A of the NDPS Order. The NDPS Order requires for every person or entity who is engaged in the manufacturing, trade, possession and consumption of the “controlled substances” classified under Schedule-A of the NDPS Order to obtain a unique registration number issued by the Zonal Director of Narcotics Bureau.

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 Maharashtra Prohibition Act, 1949 (“Maharashtra Prohibition Act”)

The Maharashtra Prohibition Act which applies to the state of Maharashtra, aims to prohibit the sale of alcohol without obtaining a license in terms of its provisions. The licenses provided under the Maharashtra Prohibition Act can be suspended or cancelled in terms of the provisions of Section 54 or 56 of the Maharashtra Prohibition Act. The Maharashtra Prohibition Act prohibits any person to keep in his possession denatured spirit in excess of prescribed limit except pursuant to obtaining a permit granted by an officer empowered by the government of Maharashtra.

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. Pursuant to the onset of the Covid-19 pandemic, our Company has been engaged in manufacturing hand sanitizers. 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.

The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission (“**CERC**”), the State Electricity Regulatory Commissions (“**SERCs**”) or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission. In terms of the Electricity Act, ‘open’ access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate electricity regulatory commission.

Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff. Pursuant to the powers granted under the Electricity Act, various regulations and guidelines have been framed by the CERC and SERCs for determination of tariff for thermal producers and generation, distribution, transmission, allowing open access, among others.

The Electricity (Amendment) Bill, 2014 was introduced to amend certain provisions of the Electricity Act. Among others, the amendment empowers the GoI to establish and review a national tariff policy and electricity policy.

Maharashtra Labour Welfare Fund Act, 1953 (“Maharashtra Labour Welfare Fund Act”)

Maharashtra Labour Welfare Fund Act provides for the constitution of a fund (“Fund”) to finance the promotion of welfare of labour in the State of Maharashtra. The Fund comprises of all fines realised from the employees, unpaid accumulations transferred to the Fund, penal interests, contributions paid, funds transferred, or sums borrowed under the provision of this Act, voluntary donations, and loans, grants or subsidies paid by the Maharashtra Government. Under the Maharashtra Labour Welfare Fund Act, all employers and employees are liable to contribute to the Fund every six months, at whatever rate is applicable to them.

Sugarcane (Control) Order, 1966 (“Sugarcane Order”)

Under the Sugarcane Order, the Government may determine the quantity of sugarcane that a factory will require for crushing during any year. The Central Government has delegated this power to the State Governments and the State Governments to regulate the same. The Central Government has also been conferred with the power to regulate the distribution and movement of sugarcane. This power has also subsequently been delegated by the Government to the State Governments to regulate. The Sugarcane Order empowers the Government to fix a

minimum price of sugarcane to be paid by producers of sugar or their agents for the sugarcane purchased by them as per the stipulated provisions. A minimum distance of 15 kms is required to be observed between an existing sugar mill and a new one. An Industrial Entrepreneur Memorandum (IEM) with the Secretariat of Industrial Assistance in Ministry of Industry is required to be filed for setting up a new sugar unit. The Sugarcane Order also provides that in addition to the abovementioned minimum price, an additional price may be payable by sugar producers in accordance with the provisions of the second schedule of the Order. Furthermore, the Central Government, or the State Government with the approval of the Central Government, may, subject to such conditions as specified, allow a suitable rebate in the price so fixed.

The Sugarcane Order provides for power to the Government to regulate production of sugar, restrict sale etc. of sugar by producers, movement of sugar and quality of sugar, call for information from producer or recognised dealer, inspection, entry, search, sampling and seizure of sugar and delegation of powers conferred by the Sugarcane Order to any officer or authority of the Central or State Government. On the basis of the quarterly free sale quota decided by the Government, month-to-month release orders for sale of sugar in open market are issued under clause 5 of the Sugarcane Order.

Molasses Control Order, 1966 (“Molasses Order”)

The Molasses Order includes various provisions for regulation of the storage, grading, sale and removal of molasses. It empowers the Central Government to fix maximum prices of molasses.

Sugar (Regulation of Production) Act, 1961 (“Sugar Act”)

The Sugar Act empowers the Central Government to fix the quantity of sugar, which may be produced, in a factory during any year. The Sugar Act was meant to provide for the regulation of production of sugar in the interests of general public and for the levy and collection of a special excise duty on sugar produced by a factory in excess of the quota fixed for the purpose.

The other legislations in relation to the manufacture and sale of sugar which are applicable to the Company, are as follows:

- Sugar (Packaging and Marketing) Order, 1970;
- Sugar Cess Act, 1982;
- Levy Sugar Supply (Control) Order, 1979 as amended by Levy Sugar (Control) Amendment Order, 2000;
- Levy Sugar Price Equalization Fund Act, 1976;
- Sugar Development Fund Act, 1982; and
- Sugar Development Fund Rules, 1983.

The National Electricity Policy

The GoI approved the National Electricity Policy on February 12, 2005, in accordance with the provisions of the Electricity Act.

The National Electricity Policy lays down the guidelines for development of the power sector and aims to accelerate the development of power sector by providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The National Electricity Policy recognises coal as the primary fuel for generation of electricity and provides for certain measures such as long-term fuel supply agreements, especially with respect to imported fuel, to give boost to companies generating electricity through coal or other sources of fuel.

National Tariff Policy

The GoI notified the revised National Tariff Policy effective from January 28, 2016. Among others, the National Tariff Policy seeks to ensure availability of electricity to different categories of consumers at reasonable and competitive rates, ensure financial viability of the sector and attract adequate investments and ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

Environmental laws

Environment Protection Act, 1986 (the “EP Act”), Environment Protection Rules, 1986 (the “EP Rules”) and Environmental Impact Assessment Notification, 2006 (“EIA Notification”)

The EP Act has been enacted for the protection and improvement of the environment. The EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) and the Bio Medical Waste Management Rules 2016 (“Bio Medical Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

These Bio Medical Waste Rules regulate the generation, collection, storage, transportation, treatment, disposing, or handling bio medical waste in any form including hospitals, nursing homes, clinics, dispensaries, veterinary institutions, animal houses, pathological laboratories, blood banks, ayush hospitals, clinical establishments, research or educational institutions, health camps, medical or surgical camps, vaccination camps, blood donation camps, first aid rooms of schools, forensic laboratories and research labs.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”)

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence

of chemical accidents, by *inter alia*, setting up a central crisis group and a crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

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 Explosives Act, 1884 (“Explosives Act”)

The Explosives Act is a comprehensive law which regulates by licensing 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.

Intellectual Property laws

The Trade Marks Act, 1999 (“Trademarks Act”)

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks.

The Patents Act 1970 (“Patents Act”)

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 (“**Copyright Laws**”) governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Labour related legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936. Pursuant to notification dated December 18, 2020, the Government of India has notified and brought into effect certain provisions of the Code on Wages, 2019; (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Biodiversity Act 2002 ("Biodiversity Act")

The Central Government released the Biodiversity Act to provide for conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits arising out of the use of biological resources, knowledge and for matters connected therewith or incidental thereto.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and other applicable statutes imposed by the Centre or the State Government and authorities for our day to day business and operations. Our Company is also amenable to various central and state tax laws, such as the Income Tax Act, 1961, the Customs Act, 1962, the Customs Tariff Act, 1975 and relevant goods and services tax legislations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Godavari Investment and Finance Corporation Limited in Mumbai, Maharashtra as a public limited company under the Indian Companies Act, 1913, pursuant to a certificate of incorporation dated January 12, 1956, issued by the Registrar of Companies, Bombay.

Subsequently, the name of our Company was changed to Godavari Biorefineries Limited and a fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra at Mumbai on November 10, 2006. The sugar, power, chemical and distillery business (the “**Business**”) of The Godavari Sugar Mills Limited, was demerged into our Company on April 21, 2009, with effect from April 1, 2008.

Change in the Registered Office

The details of the change in our Registered Office since incorporation is detailed below:

Effective date of change	Details of change	Reason for change
April 24, 2009	The address of our registered office of our Company was changed from Fazalbhoy Building, 45/47, M.G. Road, Fort, Mumbai - 400 001 to Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai - 400 001	Change in the name of the building

Main object of our Company

The main object contained in the Memorandum of Association of our Company is as mentioned below:

“To carry on all or any of the business in India or elsewhere of: managing, leasing, renting, utilizing, taking possession or acquiring, constructing and operating sugar or other refineries, buildings, mills, factories, distilleries and other works including to hold, possess and manage the assets; manufacturing, producing, processing, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, as consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, of merchandising, and generally to deal in sugar, refined sugar, raw sugar, sugar beets, sugar cane, sweet sorghum, molasses, gur, syrups, melada, fertilizers, Juices, beverages, chemicals, including specialty chemicals other agricultural products or its byproducts or any products processed out of the agricultural products and alcohol and all products or by-products thereof and food and/or dairy products generally in urban and/or rural markets; to do business for utilizing the by-products of the company as the company may otherwise deem advantageous; generating of electricity and/or energy including through steam, gases (including CNG, Co2, H2) power, solar energy, wind energy, biomass energy, Bio-CNG, geothermal energy, hydel energy, tidal and wave energy, bagasse, bio-diesel, fuel sales and other conventional, non conventional and renewal energy sources and setting outlets for providing energy for transportation, waste treatment plants of all kinds and equipment thereof; trading and dealing in and with any classes and kinds of chemicals, including heavy chemicals, specialty chemicals, catalyst, organic and inorganic chemicals, source materials, ingredients, mixtures, derivatives and compounds thereof, and any and all kinds of fertilizers, manures, their mixtures and formulations, Biocomposites, Biomaterials And Biopolymers and any and all kinds of products of which any of the foregoing constitutes an ingredients or in the production of which any of the foregoing is used, including industrial chemicals of all kinds and industrial and other preparation of all products arising from or required in manufacture or production, refining, or any kind of fertilizers, manures, their mixtures and formulations; conducting, studying, researching, analyzing, computerizing, codifying, reconciling, rectifying bio-technological products and deal in bio- chemical compounds, biotechnological products, tools, micro-reactors, apparatus, systems and to use new and imported designs, models modulations, calculations, reports, perform in the field of biotechnology and bio-fuel and to manufacture, develop, buy, sell, import, export, study, turn into account and deal in all kinds and varieties of bio-compounds, nutraceuticals, chemicals including specialty chemicals, combinations, substances either solid or liquid or air based used ingredients, in the manufacture and preparation of intoxicants, sedatives, drug formulations, chemical compounds, pharmaceutical formulations, oils, grease, liquid and solid substances, and to manufacture, buy, sell and deal in bio-technical, bio- technological and bio-chemical, bio-fuel, carbon credits, raw materials and ingredients used in the above activity and to carry on the business of consultancy which includes aspects relating to technology and other aspects in the field of bio-technology and biofuel and to undertake, promote, assist, engage, and deal in research,

development and manufacturing and distribution of bio-technological products and services related to clinical sciences, clinical diagnostics, diagnostic kits, biological products, therapeutics and genomics and to setup laboratories, purchase and acquire any equipment and instruments required for carrying out research in the fields of biotechnology, bio-fuel and medical research including cancer research and pharmaceuticals and pharmaceutical related products any other by-product or ancillary product related to the same, clinical trials of the pharmaceutical related products, biocomposite, biomaterials, biopolymer.”

The main object as contained in the Memorandum of Association enables 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 last ten calendar years:

Date of Shareholders' resolution	Amendments
September 26, 2014	<p>The title of Clause III(B) of the Memorandum of Association comprising of the objects incidental or ancillary to the attainment of main objects of our Company, was replaced to the title <i>“Matters which are necessary for furtherance of the main objects specified in Clause III(A)”</i></p> <p>Clause III(A) of the Memorandum of Association was amended to reflect the insertion of new clauses 64 to 73 immediately after the existing clause 63 of Clause III(A) of the Memorandum of Association</p> <p>Clause III(C) of the Memorandum of Association in relation to other objects was deleted</p> <p>Clause IV of the Memorandum of Association was substituted with the following new clause, namely: <i>“IV. The Liability of the Members is Limited to the amount unpaid, if any, on the shares held by them.”</i></p>
October 30, 2020	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹600,000,000 comprising of 42,000,000 Equity Shares of ₹10 each and 1,800,000 preference shares of ₹100 each to ₹ 1,000,000,000 comprising of 82,000,000 Equity Shares of ₹10 each and 1,800,000 preference shares of ₹100 each
July 5, 2021	<p>(a) The existing Clause III(A) heading, <i>“The main Objects to be pursued by the Company on its incorporation are”</i> be substituted by the new heading <i>“Clause III (A) - The Objects to be pursued by the Company on its incorporation are”</i>; and</p> <p>(b) The existing Main Objects of Clause III (A) be altered by replacing the same with new Clause III(A), see the <i>“Main object of our Company.”</i></p>

Major events and milestones of our Company and the Business

The table below sets forth the key events and milestones in the history of our Company and the Business:

Fiscal year	Particulars
1940	Commencement of business in the manufacture and sale of sugar by The Godavari Sugar Mills Limited.
1962	Commencement of production and sale of denatured and rectified spirit
	Commenced the production of chemicals namely acetic acid
1973	Commencement of manufacture of sugar at Sameerwadi Manufacturing Facility
1985	Commencement of manufacture of alcohol from molasses at Sameerwadi Manufacturing Facility
1993	Consent to set up an ethyl acetate plant at the Sakarwadi Manufacturing Facility
2003	Amalgamation of Somaiya Organo-Chemicals Limited with The Godavari Sugar Mills Limited, with an appointed date of April 1, 2001.
2004	Consent to manufacture of crotonaldehyde
2005	Receipt of ISO 9001:2000 certification for the Sakarwadi Manufacturing Facility for the manufacturing, and marketing of ethyl alcohol, acetaldehyde, acetic acid, ethyl acetate and sorbic acid
2008	Received environmental clearance for expansion of the distillery unit at the Sameerwadi Manufacturing Facility with capacity to manufacture 200 KLPD of rectified spirits and 150 KLPD of fuel ethanol
2009	Incorporation of foreign wholly owned Subsidiary, Cayuga Investments B.V. in Netherlands and two step-down Subsidiaries, Godavari Biorefineries B.V. in Netherlands and Godavari Biorefineries Inc., in United States of America
2010	The sugar, power, chemical and distillery business of The Godavari Sugar Mills Limited, a member of the Somaiya group, was demerged into our Company on April 21, 2009 with an appointed date of April 1,

Fiscal year	Particulars
	2008
2011	Consent from Karnataka State Pollution Control Board for manufacturing 200 KLPD rectified spirits and 140 KLPD of extra neutral alcohol at the Sameerwadi Manufacturing Facility
2014	Launch of brand “Jivana” in the retail market and introduced Jivana sugar and salt
2015	Investment by Mandala Capital AG Limited in our Company
2017	Receipt of ISO 9001:2008 certification for the Manufacturing Facilities for marketing, manufacturing and supply of acetaldehyde, ethyl alcohol, ethyl acetate, crotonaldehyde, MPO, 1,3 BG and paraldehyde
2016	Commencement of manufacturing and sale of chemicals such as MPO and 1,3 butylene glycol at Sakarwadi Manufacturing Facility
2019	Receipt of RC 14001:2015 and ISO 14001:2015 certification for the Sakarwadi Manufacturing Facility for the manufacturing and sales of alcohol base chemicals and specialty chemicals
2020	Increase in the capacity of the Sameerwadi Manufacturing Facility with respect to Rectified Spirits from 200 KLPD as of March 31, 2019 to 320 KLPD as of March 31, 2020 and with respect to ethanol from 150 KLPD as of March 31, 2019 to 293.50 KLPD as of March 31, 2020
2021	Increase in the capacity of the Sameerwadi Manufacturing Facility with respect to Rectified Spirits from 320 KLPD as of March 31, 2020 to 400 KLPD as of March 31, 2021 and with respect to ethanol from 293.50 KLPD as of March 31, 2020 to 380 KLPD as of March 31, 2021
2022	Receipt of environmental clearance for expansion of distillery capacity from 400 KLPD to 600 KLPD at the Sameerwadi Manufacturing Facility and for manufacturing a wider range of speciality chemicals including 1,3 BG, cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite

Key awards, accreditations or recognitions

Our Company has received the following key awards, accreditations and recognitions:

Sr. No.	Awards, Accreditations and Recognitions	Year of award
1.	Our Company received the “ <i>Efficiency in Boiler Maintenance- Best Combined Heat and Power Plant Boiler</i> ” Award from the Department of Factories, Boilers, Industrial Safety and Health, Bengaluru	2021
2.	Our Company received the “ <i>Best District Exporter Award, Bagalkot</i> ” from the Federation of Karnataka Chambers of Commerce and Industry	2019
3.	Our Company received the “ <i>Outstanding Renewable Energy Generation-Biofuel</i> ” from the Indian Federation of Green Energy	2019
4.	Our Company received the certificate of participation “ <i>ENVOSAFE EHS Excellence Award 2019</i> ” from the DY. Director, industrial safety and health	2019
5.	Our Company received the runner up award for “ <i>Outstanding Renewable Energy Generation-Bio-Energy</i> ” from the Indian Federation of Green Energy	2018
6.	Our Company received the “ <i>State Export Excellence</i> ” Award from the Department of Commerce and Industries	2017
7.	Our Company received the “ <i>Best Overall Performance Private Sugar Mill Award</i> ” from Bhartiya Sugar	2016
8.	Our Company received the “ <i>First Prize in the “Best Safe Industrial Boiler”</i> category for adopting best safe practices in the year 2015 from the Karnataka State Safety Institute, Government of Karnataka in 2016	2016
9.	Our Company received the “ <i>FICCI Efficiency in Water Usage- Chemicals</i> ” Award from FICCI	2016
10.	Our Company received the “ <i>Water Resource Management in Chemical Industry</i> ” Award from the Indian Chemical Council	2015
11.	Our Company received the “ <i>District Exporter Award, Bagalkot</i> ” from the Federation of Karnataka Chambers of Commerce and Industry	2015
12.	Our Company received the “ <i>Certificate of Merit for the outstanding export performance in chemical panel</i> ” Award from CHEMEXCIL	2014
13.	Our Company received the “ <i>Golden award for best distillery for the season 2013-2014</i> ” from The South Indian Sugarcane & Sugar Technologists’ Association	2014
14.	Our Company received the “ <i>Best Cane Development Award</i> ” from The South Indian Sugarcane & Sugar Technologists’ Association	2011

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, Associates and Joint Ventures

For details with respect to our Subsidiaries, see “*Our Subsidiaries*” on page 183. Our Company does not have any associates or joint ventures as on the date of this Draft Red Herring Prospectus.

Time/cost overrun

There have been no time/cost overruns pertaining to setting up of projects by our Company, in the 10 years preceding the date of this Draft Red Herring Prospectus.

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 loans availed by our Company from banks or financial institutions have not been rescheduled and nor have such loans been restructured.

Launch of key products or services, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see “*Our Business*” on page 147.

Scheme of Arrangement between The Godavari Sugar Mills Limited (“GSML”) and our Company (the “Scheme”)

The High Court of Bombay by its order dated March 20, 2009, approved the Scheme with appointed date as April 1, 2008, through which the sugar, power, chemical and distillery business of GSML was transferred to our Company as a going concern basis, including all assets, rights, licenses and powers, debts, outstanding liabilities including obligations under corporate debt restructuring, duties, obligations and employees. Pursuant to the Scheme, our Company was required to issue and allot to the all shareholders of GSML (i) one equity share of face value ₹10, credited as fully paid up in respect of one fully paid up equity share held by the shareholders of GSML; (ii) one 12% redeemable cumulative preference share (“RCPS”) share of face value of ₹100 each, credited as fully paid up, in respect of one fully paid up RCPS held by them.

Mergers or amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details of material acquisition or divestments

Our Company has not acquired or divested any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus.

Financial and/or strategic partners

Our Company does not have any financial and/or strategic partners as of the date of this Draft Red Herring Prospectus.

Revaluation of assets

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details of shareholders’ agreements

Except as disclosed below, there are no subsisting shareholders’ agreements as on the date of this Draft Red Herring Prospectus.

Share subscription agreement dated February 27, 2015 and the shareholders agreement dated February 27, 2015 entered into by our Company, Samir Shantilal Somaiya (the “SHA Promoter”), S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited and Sindhur Construction Private Limited (collectively along with the SHA Promoter, the “SHA Shareholders”) and Mandala Capital AG Limited (“Mandala”)

Our Company has entered into the share subscription agreement dated February 27, 2015 (“SSA”) with the SHA Shareholders and Mandala for the subscription and allotment of Equity Shares of our Company to Mandala. In accordance with the terms of the SSA, Mandala has subscribed to 47,65,033 Equity Shares. The closing date of the SSA would come into effect after our Company had given a completion certificate upon fulfilment of the conditions precedent which will also specify the closing date.

The SSA confers certain rights and obligation on the parties. It imposed certain restrictions on the transfer of securities. From the execution date of the SSA until the date on which closing occurs or the date on which the SSA is terminated (“**Protective Period**”), our Company shall not modify the equity capital structure of except through issue of equity shares or mandatorily convertible securities, change from the capital investment programme which exceeds the allocated budget by 20%, distribution of dividends, change in control of our Company, altering rights or terms of any class of securities etc. Moreover, during this Protective Period, our Company was restricted from pursuing alternative proposals which may interfere with the transactions. In case our Company had breached this obligation they must immediately notify Mandala and Mandala may consequently at its sole discretion may terminate the SSA. In turn if Mandala notices that any warranty, representation, or condition precedent has been breached or incapable of being satisfied prior the expiry of the long stop date or an insolvency event has occurred then they must immediately inform our Company and the SHA Shareholders. Consequently, our Company and the SHA Shareholders at their sole discretion have the right to terminate the SSA.

Additionally, under the SSA, our Company had the obligation to appoint one nominee of Mandala as a non-retiring additional director and a non-voting observer on the Board. Further, it had to convene an extraordinary general meeting of our Company at a short notice to approve the issuance of subscription shares, appointing the abovementioned nominees and to approve the amended articles of association.

Further, our Company has entered into the shareholders agreement dated February 27, 2015 (“**Shareholders Agreement**”) with the SHA Shareholders and Mandala, for setting out the *inter se* rights and obligations of the SHA Shareholders, Mandala and our Company, pursuant to the investment by Mandala into our Company.

In terms of the Shareholders Agreement, provided that Mandala maintains the minimum shareholding stipulated, they, have the right to appoint and maintain in office one non-retiring Director i.e., investor nominee director (the “**Nominee Director**”), who shall also be the member of all the present and future committees and sub-committees (except for the research committee and corporate social responsibility committee, as applicable) (the “**Committee**”) constituted by the Board, and the right to appoint and remove one Board observer, who shall be entitled to attend all Board meetings or meetings of the Committee. The Nominee Director shall be entitled to nominate an alternate director to attend and vote at Board meetings or meeting of the Committee.

Additionally, pursuant to the Shareholders Agreement, Mandala has certain special rights, including but not limited to anti-dilution rights and the requirement to take their consent before our Company takes certain specified actions. Further, in terms of the Shareholders Agreement, in the event Mandala seeks sell any of the Equity Shares held by them to a person other than an affiliate, but it has not identified a purchaser for such Equity Shares, the SHA Promoter shall have a ‘right of first offer’ to purchase such Equity Shares.

Meanwhile, in the event a SHA Shareholder intends to sell any of the Equity Shares held by them to a person other than an affiliate, (i) if there is no identified purchaser, Mandala shall have a ‘right of first offer’ (“**ROFO**”) with respect to such Equity Shares, while (ii) on account of a situation (other than (i)), Mandala shall have a “right of first refusal” (“**ROFR**”) on the same terms and conditions (including price) as offered by the proposed buyer to the SHA Shareholder. Mandala shall have a “tag-along” right to sell any of the Equity Shares held by it, prior to the transfer of the Equity Shares by an SHA Shareholder: (i) pursuant to the ROFO to a third party transferor; or (ii) pursuant to the ROFR to the proposed buyer.

Pursuant to a waiver letter dated September 24, 2021 (the “**Waiver Letter**”), the Investor Selling Shareholder has agreed to (i) waive its right to participate in any further issuance of Equity Shares by our Company only to the extent of fresh issue of equity shares through the Offer; (ii) waive the application of provisions relating to restrictions on transfer of shares, right of first offer, right of first refusal, tag along rights and the execution of deed of adherence only to the extent of transfer of any equity shares by the Promoter Selling Shareholders and Promoter Group Selling Shareholders through the Offer; (iii) waive information rights available under the SHA from the date of filing the Red Herring Prospectus with the RoC.

Samir Shantilal Somaiya has waived his right of first offer solely with respect to the Equity Shares proposed to be sold by the Investor Selling Shareholder in the Offer.

The Waiver Letter shall have no force and effect if (a) listing of the Equity Shares of our Company on the Stock Exchanges has not occurred on or prior to the expiry of 12 months from the date of receipt of the final observation letter from SEBI on the DRHP, unless the Offer is withdrawn prior to such date, or any other date as may be mutually agreed among the parties to the Shareholders Agreement (the “**Long Stop Date**”); or (b) the Investor Selling Shareholder withdraws from the Offer.

The SHA Shareholders have agreed that except for the purposes of the Offer, they shall not transfer any securities held by them in our Company till the Long Stop Date.

The waivers provided by the Investor Selling Shareholder under the Waiver Letter are solely for the purposes of the Offer and does not include any waivers from any consent which may be required under the terms of the SHA for the purpose of issue of any securities including any pre-IPO Placement or any other fund-raising exercise by our Company.

Post completion of an initial public offering of the Equity Shares of our Company, Investor Selling Shareholder shall not be entitled to any rights under the Shareholders Agreement other than rights which it would be entitled to as a Shareholder under the Companies Act, 2013 or other relevant applicable laws. Pursuant to the Waiver Letter, the Shareholders Agreement will terminate on the listing of the Equity Shares pursuant to the Offer.

Other material agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, as on the date of this Draft Red Herring Prospectus, other than in the ordinary course of business.

Memorandum of Understanding dated April 9, 2021 between our Company and Dr. Sendurai Mani (“MoU”) and the Addendum to the MoU dated September 9, 2021 (“Addendum”)

Pursuant to a consultancy agreement dated September 1, 2007, our Company has engaged Dr. Sendurai Mani to provide services in our research and development division. Dr. Sendurai Mani provides consultancy services for SathGen Biotech (“**SathGen**”), a project undertaken by our Company for research and development of small molecule inhibitors for cancer (“**Cancer Molecules**”) and utilization of such molecules for other ailments. Pursuant to the MoU, in the event of the commercialization of Cancer Molecules, SathGen will be spun off and incorporated as a separate legal entity, whether in India or outside India (“**Entity**”) and our Company will issue and allot 12% of the equity share capital of the Entity to Dr Sendurai Mani or if otherwise our Company monetizes the Cancer Molecules, then 12% of the net profit of the Cancer Molecules for cancer or other ailments. In the event, should any investor/lender infuse any funds into the Entity, then the shareholding of our Company and of Dr. Sendurai Mani in the Entity may be diluted proportionately or / modified as per the terms agreed / decided by our Company and the said investor or lender, if any. Further, Dr. Sendurai Mani shall not transfer his shares in the Entity to any person other than our Company, unless he obtains prior consent from our Company. Subsequently, our Company entered into an Addendum, wherein it was set out that the transactions contemplated in the MoU would be conditional on determination of factors mentioned in the MoU, and an agreement of our Company and Dr. Sendurai Mani to the definitive agreements, such as, shareholders agreement, investment agreement and subject to receipt of certain consents.

Memorandum of Understanding dated September 9, 2021 between our Company and K. J. Somaiya Institute of Applied Agricultural Research (“KIAAR”), represented by its Director, Dr. V.C. Patil (“MoU”)

Our Company and KIAAR have entered into the MOU to establish a basis of co-operation and collaboration between the organizations. In accordance with the MOU, KIAAR will provide (i) soil testing; (ii) production of tissue culture settlings; (iii) production and supply of single eye bud (SEB) settlings; (iv) production and supply of bio-fertilisers; (v) technology transfer to the farmers; (vi) energy cane. KIAAR will train the employees of our Company on the emerging agricultural technologies and extend necessary supports to deliver guest lectures, seminar, and works shops to the employees of our Company on the latest trends of research and development of sugar cane and sugar cane seeds. Our Company has permitted KIAAR to use certain of our agricultural lands for research and development activities. Our Company is to assist KIAAR financially for research and development activities. The duration of the MoU is for a period of 10 years.

Agreement for License to Use Trademark dated May 28, 2021 (“Trademark Agreement”) between K.J Somaiya and Sons Private Limited (“Licensor”) and our Company

Pursuant to the Trademark Agreement and with effect from April 1, 2021, the Licensor has granted our Company a non-exclusive right to use, within India and outside India, the trademark “Somaiya” registered in its name under several classes. For the use of the mark, our Company pays a quarterly license fee to the Licensor which varies based on our gross revenue. The Trademark Agreement has been entered for a period of 10 years from April 1, 2021. Our Company shall pay to the Licensor on a quarterly basis a license fee for the use of the licensed trademark being the aggregate of: (a) 0.100% of our Company’s revenue plus taxes upto ₹ 10,000 million; (b) 0.075% of our Company’s revenue, in excess of 10,000 million upto ₹ 25,000 crore; and (c) 0.050% of our Company’s revenue, in excess of ₹ 25,000 crore.

Memorandum of Understanding with Somaiya Properties and Investments Private Limited and our Company dated September 13, 2021 (“SPIPL MoU”)

Our Company has entered into the SPIPL MoU with Somaiya Properties and Investments Private Limited to purchase certain land bearing the GAT Nos. 171 (part), 173 and 174, total admeasuring approximately 142,258.68 square meter being situated at Wari, Kopargaon, Ahmednagar (“**Land**”). The total consideration of the Land is of ₹ 133.58 million, of which our Company has paid ₹ 13.36 million on September 15, 2021 in accordance with the SPIPL MoU (net of tax deducted at source). Somaiya Properties and Investments Private Limited shall within a period of one year from the date of execution of the SPIPL MoU or any such time period mutually agreed between the parties, sell and transfer its entire rights, title and interest in the Land. As on date, there is no encumbrance/charge/mortgage on the Land.

Memorandum of Understanding with Somaiya Chemical Industries Private Limited and our Company dated September 13, 2021 (“SCIPL MoU”)

Our Company has entered into the SCIPL MoU with Somaiya Chemical Industries Private Limited to purchase certain land bearing the GAT No. 177, admeasuring approximately 23,986.94 square meter being situated at Wari, Kopargaon, Ahmednagar (“**Land**”). The total consideration of the Land is of ₹ 24.25 million, of which our Company has paid ₹ 2.43 million on September 15, 2021 in accordance with the SCIPL MoU (net of tax deducted at source). Somaiya Chemical Industries Private Limited shall within a period of one year from the date of execution of the SCIPL MoU or any such time period mutually agreed between the parties, sell and transfer its entire rights, title and interest in the Land. As on date, there is no encumbrance/charge/mortgage on the Land.

Memorandum of Understanding with Sakarwadi Trading Company Private Limited and our Company dated September 13, 2021 (“Sakarwadi MoU”)

Our Company has entered into the Sakarwadi MoU with Sakarwadi Trading Company Private Limited to purchase certain land bearing the GAT No. 178, admeasuring approximately 23,986.94 square meters being situated at Wari, Kopargaon, Ahmednagar (“**Land**”). The total consideration of the Land is of ₹ 24.25 million, of which our Company has paid ₹ 2.43 million on September 15, 2021 in accordance with the Sakarwadi MoU (net of tax deducted at source). Sakarwadi Trading Company Private Limited shall within a period of one year from the date of execution of the Sakarwadi MoU or any such time period mutually agreed between the parties, sell and transfer its entire rights, title and interest in the Land. As on date, there is no encumbrance/charge/mortgage on the Land.

Rights under the Articles of Association (“AOA”)

The AOA confers certain special rights upon certain of the shareholders of our Company. Our Company is required to use the “Somaiya” name, brand, logo and/or marks (“**Somaiya Marks**”) till such time as the Somaiya

group continue to collectively hold at least 25% of the paid-up equity share capital of our Company. In the event the collective shareholding of the Somaiya group falls below 25%, our Company requires the express consent of Samir Shantilal Somaiya or the Somaiya group to use the Somaiya Marks. Further, till the time the Somaiya group collectively holds 25% of the paid-up equity share capital of our Company, Samir Shantilal Somaiya is entitled to appoint, remove and replace one nominee director on our Board, who shall not be liable to retire by rotation. The aforementioned rights shall be subject to special resolution by the shareholders post listing of equity shares.

Guarantees given by the promoter participating in the Offer for Sale

The Promoter Selling Shareholders have not issued any guarantee in connection with the financing facilities availed by our Company or our Subsidiaries.

Other confirmations

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.

OUR SUBSIDIARIES

Our Company has two direct Subsidiaries and two step-down Subsidiaries, as on the date of this Draft Red Herring Prospectus.

Direct Subsidiaries

- (i) Solar Magic Private Limited; and
- (ii) Cayuga Investments B.V.

Step-down Subsidiaries

- (i) Godavari Biorefineries B.V.; and
- (ii) Godavari Biorefineries Inc.

Set out below are details of our Subsidiaries.

Direct Subsidiaries

1. *Solar Magic Private Limited*

Corporate Information

Solar Magic Private Limited was incorporated as Padmanabh Agencies Private Limited, a private limited company in Mumbai under the Companies Act, 1956 pursuant to a certificate of incorporation dated March 6, 1998. Subsequently, the name of Padmanabh Agencies Private Limited was changed to Solar Magic Private Limited, pursuant to a fresh certificate of incorporation dated August 8, 2008. Its corporate identification number is U01100MH1998PTC113856. Its registered office is situated at Somaiya Bhavan, 45/47 M G Road, Fort, Mumbai – 400 001, Maharashtra, India.

Nature of Business

Solar Magic Private Limited is engaged in the business of, *inter alia*, trading in fertilizers, material for pipes and drip irrigation and manufacturing of sugarcane seedlings and turmeric powder.

Capital Structure

The details of the capital structure of Solar Magic Private Limited:

Particulars	Aggregate nominal value (in ₹)
<i>Authorised share capital</i>	
10,000,000 equity shares of ₹ 10 each	100,000,000
<i>Issued, subscribed and paid-up share capital</i>	
3,450,000 equity shares of ₹ 10 each	34,500,000

Shareholding Pattern

The shareholding pattern of Solar Magic Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
Godavari Biorefineries Limited	3,449,994	99.99
Samir Shantilal Somaiya (as a nominee of Godavari Biorefineries Limited)	1	Negligible
Amrita Samir Somaiya (as a nominee of Godavari Biorefineries Limited)	1	Negligible
K. J. Somaiya and Sons Private Limited (as a nominee of Godavari Biorefineries Limited)	1	Negligible
Somaiya Agencies Private Limited (as a nominee of Godavari Biorefineries Limited)	1	Negligible

Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of shareholding (%)
Lakshmiwadi Mines and Minerals Private Limited (as a nominee of Godavari Biorefineries Limited)	1	Negligible
Sakarwadi Trading Company Private Limited (as a nominee of Godavari Biorefineries Limited)	1	Negligible
Total	3,450,000	100.00

2. Cayuga Investments B.V.

Corporate Information

Cayuga Investments B.V. was incorporated as a private limited liability company in Amsterdam, on December 10, 2008 under the laws of Netherlands. Its trade register number is 34319213. Its corporate seat is situated at Opaallaan 1180, 2132 LN – Hoofddorp, The Netherlands.

Nature of Business

Cayuga Investments B.V. is engaged in the business of, *inter alia*, participating in, managing, financing and rendering services to businesses, companies and other legal entities which operate in the field of processing and trading of chemicals, alcohol, sugar and its allied products.

Capital Structure

Particulars	Aggregate nominal value (in €)
<i>Authorised share capital</i>	
2,225,000 shares of € 1 each	2,225,000
<i>Issued, subscribed and paid-up share capital</i>	
1,394,761 shares of € 1 each	1,394,761

Shareholding Pattern

The shareholding pattern of Cayuga Investments B.V. as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of shares of € 1 each	Percentage of shareholding (%)
Godavari Biorefineries Limited	1,394,761	100.00
Total	1,394,761	100.00

Step-down Subsidiaries

1. Godavari Biorefineries B.V.

Corporate Information

Godavari Biorefineries B.V. was incorporated as a private limited liability company in Amsterdam, on January 26, 2009 under the laws of Netherlands. Its trade register number is 34325188. Its corporate seat is situated at Opaallaan 1180, 2132 LN – Hoofddorp, The Netherlands.

Nature of Business

Godavari Biorefineries B.V. is engaged in the business of, *inter alia*, participating, managing, financing and rendering services to businesses, companies and other legal entities which operate in the field of processing and trading of chemicals, alcohol, sugar and its allied products.

Capital Structure

Particulars	Aggregate nominal value (in €)
<i>Authorised share capital</i>	
1,289,761 shares of € 1 each	1,289,761
<i>Issued, subscribed and paid-up share capital</i>	
1,217,761 shares of € 1 each	1,217,761

Shareholding Pattern

The shareholding pattern of Godavari Biorefineries B.V. as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of shares of € 1 each	Percentage of shareholding (%)
Cayuga Investments B.V.	1,217,761	100.00
Total	1,217,761	100.00

2. Godavari Biorefineries Inc.

Corporate Information

Godavari Biorefineries Inc. was incorporated as a private company in Delaware, on March 24, 2009 under the laws of the state of Delaware. Its EIN number is 30-0546856. Its registered office is situated at 103 Carnegie Centre, Dr, Suite 300, Princeton, New Jersey 08540.

Nature of Business

Godavari Biorefineries Inc. is engaged in the business of, *inter alia*, acting as intermediaries and consultants to provide support services. Further, they are engaged in the business of energy/food products, fuels and chemicals from renewable sources.

Capital Structure

Particulars	Aggregate nominal value (in US\$)
<i>Authorised share capital</i>	
5,000 shares of US\$ 100 each	500,000
<i>Issued, subscribed and paid-up common share capital</i>	
1,550 common shares of US\$ 100 each	155,000

Shareholding Pattern

The shareholding pattern of Godavari Biorefineries Inc. as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of common shares of US\$ 100 each	Percentage of common stock holding (%)
Cayuga Investments B.V.	1,550	100.00
Total	1,550	100.00

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

Interest in our Company

Except as provided in “*Restated Consolidated Financial Statements – 34 - Related Party Transactions*”, beginning on pages 253, none of our Subsidiaries have any business interest in our Company.

Common pursuits

There are no common pursuits amongst our Subsidiaries and our Company.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, we have 10 Directors on our Board, of whom four are Executive Directors, one is a Non-Executive Director and five are Independent Directors including one Independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

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

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Samir Shantilal Somaiya <i>Designation:</i> Chairman and Managing Director <i>Date of birth:</i> February 28, 1968 <i>Address:</i> Padmanabh, 10, M. L. Dahanukar Marg, Mumbai - 400 026, Maharashtra, India <i>Occupation:</i> Industrialist <i>Current term:</i> For a period of three years, with effect from April 1, 2021 till March 31, 2024, not liable to retire by rotation. <i>Period of directorship:</i> Since June 22, 2007 <i>DIN:</i> 00295458	53	<i>Indian companies</i> <ul style="list-style-type: none"> ▪ Filmedia Communication Systems Private Limited ▪ IMC Chamber of Commerce and Industry ▪ Indian Sugar Exim Corporation Ltd. ▪ Lakshmiwadi Mines and Minerals Private Limited ▪ Research Innovation Incubation Design Laboratory Foundation ▪ Sakarwadi Trading Company Private Limited ▪ Solar Magic Private Limited ▪ Somaiya Agencies Private Limited ▪ Somaiya Foundation ▪ Somaiya Properties and Investments Private Limited <i>Foreign companies</i> <ul style="list-style-type: none"> ▪ Yagna INC ▪ Cayuga Investments B.V. ▪ Godavari Biorefineries Inc.
Sangeeta Arunkumar Srivastava <i>Designation:</i> Executive Director <i>Date of birth:</i> February 15, 1966 <i>Address:</i> 901, Ganesh Smruti, 9 th Cross Lane, Next to Akshay Anand Sandu Wadi, Chembur, Mumbai – 4000 071, Maharashtra, India <i>Occupation:</i> Service <i>Current term:</i> For a period of three years, with effect from August 1, 2020 till July 31, 2023, liable to retire by rotation.	55	<i>Indian companies</i> <ul style="list-style-type: none"> ▪ Genesis Labs Limited ▪ K. J. Somaiya and Sons Private Limited <i>Foreign companies</i> Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Period of directorship:</i> Since August 1, 2020</p> <p><i>DIN:</i> 00480462</p>		
<p>Bhalachandra Bakshi</p> <p><i>Designation:</i> Executive Director</p> <p><i>Date of birth:</i> March 6, 1959</p> <p><i>Address:</i> H. No. 368, Near Datta Temple, Mudhol, Bagalkot- 587 313, Karnataka, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> For a period of three years, with effect from April 1, 2021 till March 31, 2024, liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since June 1, 2018</p> <p><i>DIN:</i> 03538688</p>	62	<p><i>Indian companies</i></p> <ul style="list-style-type: none"> ▪ Solar Magic Private Limited <p><i>Foreign companies</i></p> <p>Nil</p>
<p>Suhas Uttam Godage</p> <p><i>Designation:</i> Additional Executive Director (Works – Sakarwadi)</p> <p><i>Date of birth:</i> January 20, 1971</p> <p><i>Address:</i> Saiprasad Nivas, Ramakrishna Nagar, Behind Gazal Hotel, Shrirampur, Ahmadnagar – 413 709, Maharashtra, India</p> <p><i>Occupation:</i> Private sector employee</p> <p><i>Current term:</i> From September 8, 2021 till March 31, 2024*</p> <p><i>Period of directorship:</i> Since September 8, 2021</p> <p><i>DIN:</i> 09227610</p>	50	<p><i>Indian companies</i></p> <ul style="list-style-type: none"> ▪ Somaiya Properties and Investments Private Limited <p><i>Foreign companies</i></p> <p>Nil</p>
<p>Hemant Luthra</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> April 18, 1949</p> <p><i>Address:</i> D-10, Sea Face Park, 50, Bhulabhai Desai Road, Mumbai 400 026, Maharashtra, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Current term:</i> For a period of five years, with effect from October 30, 2020 till October 29, 2025, not liable to retire by rotation.</p>	72	<p><i>Indian companies</i></p> <p>Nil</p> <p><i>Foreign companies</i></p> <ul style="list-style-type: none"> ▪ Fugu Mobile Pvt. Ltd., China

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Period of directorship:</i> Since September 27, 2019</p> <p><i>DIN:</i> 00231420</p>		
<p>Kailash Pershad</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> February 1, 1940</p> <p><i>Address:</i> Plot No. 84, Road No. 9, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Current term:</i> For a period of five years, with effect from September 27, 2019 up to the conclusion of the 69th annual general meeting in the financial year 2024-25, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since April 24, 2009</p> <p><i>DIN:</i> 00503603</p>	81	<p><i>Indian companies</i></p> <ul style="list-style-type: none"> ▪ Indokem Limited <p><i>Foreign companies</i></p> <p>Nil</p>
<p>Preeti Singh Rawat</p> <p><i>Designation:</i> Non- Executive Director</p> <p><i>Date of birth:</i> August 5, 1967</p> <p><i>Address:</i> A/901, Sainath Heights, Neelam Nagar Phase II, Mulund East, Mumbai – 400 081, Maharashtra, India</p> <p><i>Occupation:</i> Teaching</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since June 29, 2015</p> <p><i>DIN:</i> 07154417</p>	54	<p><i>Indian companies</i></p> <p>Nil</p> <p><i>Foreign companies</i></p> <p>Nil</p>
<p>Lakshmi Kantam Mannepalli</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> March 4, 1955</p> <p><i>Address:</i> Flat No.1002, Gunvant John Kappor Faculty House, Institute of Chemical Technology, Nathalal Parekh Marg, Matunga, Mumbai – 400 019, Maharashtra, India</p> <p><i>Occupation:</i> Professor and consultant</p>	66	<p><i>Indian companies</i></p> <ul style="list-style-type: none"> ▪ Indo Amines Limited ▪ Vinati Organics Limited <p><i>Foreign companies</i></p> <p>Nil</p>

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Current term:</i> For a period of five years, with effect from September 26, 2018 till September 25, 2023, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since November 28, 2017</p> <p><i>DIN:</i> 07831607</p>		
<p>Sanjay Puri</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> May 26, 1962</p> <p><i>Address:</i> 1177, 22ND ST NW Unit #8E, Washington DC - 20037, United States</p> <p><i>Occupation:</i> Advisor</p> <p><i>Current term:</i> For a period of five years, with effect from October 30, 2020 till October 29, 2025, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since August 1, 2020</p> <p><i>DIN:</i> 08789423</p>	59	<p><i>Indian companies</i></p> <p>Nil</p> <p><i>Foreign companies</i></p> <p>Nil</p>
<p>Nitin Mehta</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> June 26, 1974</p> <p><i>Address:</i> 4B Sapara Williams Close House 3B, Victoria-Island Lagos, Nigeria</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> For a period of five years, with effect from July 1, 2021 till June 30, 2026, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since July 1, 2021</p> <p><i>DIN:</i> 09174633</p>	47	<p><i>Indian companies</i></p> <p>Nil</p> <p><i>Foreign companies</i></p> <p>Nil</p>

* The appointment and term of the director is subject to approval by our shareholders in the next general meeting of our Company.

Brief profiles of our Directors

Samir Shantilal Somaiya is the Chairman and Managing Director of our Company. He holds a bachelors' degree in science from Cornell University, a masters' degree in chemical engineering and a masters' degree in business administration from Cornell University, and a masters' degree in public administration from Harvard University. He has over 26 years of experience in the chemicals industry. Prior to joining the Company, he was associated with Somaiya Organo-Chemicals Limited as a managing director. He has been conferred with various awards

including the Annual Chapter Award for Scholastic Achievement by the American Institute of Chemical Engineer in 1988 and the Student Award Certificate by the American Institute of Chemists Foundation in 1990.

Sangeeta Arunkumar Srivastava is an Executive Director of our Company. She holds a bachelors' degree in science and a masters' degree of science in chemistry from Doctor Harisingh Gour Vishwavidyalaya, Sagar, a masters' degree of philosophy in chemistry from Rani Durgavati Vishwavidyalaya, Jabalpur, and a doctor of philosophy in science from University of Mumbai. She has over 26 years of experience in the research and development. Prior to joining the Company, she was associated with Somaiya Organo-Chemicals Limited as a General Manager (Corporate R&D).

Bhalachandra Bakshi is an Executive Director of our Company. He holds a bachelors' degree of science in agriculture from the University of Agricultural Sciences, Bangalore. He has been associated with our Company since January 1, 2011 in various capacities and has several years of experience in the agricultural industry.

Suhas Uttam Godage is an Additional Executive Director (Works – Sakarwadi) of our Company. He holds a bachelors' degree of science from University of Pune, masters' degree of business administration in marketing management from Yashwantrao Chavan Maharashtra Open University, Nashik and has completed a post graduate diploma programme in industrial fermentation & alcohol technology from Vasantdada Sugar Institute. He has been associated with our Company in various capacities since 2009 and has over 24 years of experience in the chemicals industry. Prior to joining the Company, he was associated with Somaiya Organo-Chemicals Limited as a distillery chemist.

Hemant Luthra is an Independent Director of our Company. He holds a provisional certificate for passing the bachelors' degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi. Prior to joining the Company, he was associated with Mahindra CIE Automotive Ltd as chairman and chief executive officer, Mahindra Forgings Limited and Mahindra Composites Limited as a chairman. He is currently associated with Clayton, Dubilier & Rice Fund IX, L.P as an advisor.

Kailash Pershad is an Independent Director of our Company. He has been associated with our Company since April 24, 2009 and has several years of experience in the sugar industry. Prior to joining the Company, he was associated with The Godavari Sugar Mills Limited as a director.

Preeti Singh Rawat is a Non-Executive Director of our Company. She holds a bachelors' degree and masters' degree in arts from University of Allahabad and a doctor of philosophy degree in arts from University of Mumbai. She has been associated with our Company since June 29, 2015 and has several years of experience in the education industry. Prior to joining the Company, she was associated with K.J. Somaiya Institute of Management Studies & Research as a professor, Shreemati Nathibai Damodar Thackersey Women's University and Somaiya Vidyavihar University as a research guide for Ph.D. programmes. She was also associated with SVKM's NMIMS School of Business Management as a member of their Thesis Advisory Committee. She currently holds the position of director and head of human resource at Somaiya Vidyavihar, Somaiya Vidyavihar University and Somaiya Ayurvihar Group of Institutions and Trust. She has been conferred with various award including "50 Education Innovative Leaders" at the World Innovative Congress in 2019 and the "Best Professor in Human Resources" in the Lokmat National Education Leadership Awards 2014.

Lakshmi Kantam Mannepalli is an Independent Director of our Company. She holds a bachelors' degree of science from Andhra University, a masters' degree of science in chemistry and a doctor of philosophy degree in chemistry from Kurukshetra University. She has been associated with our Company since November 28, 2017 and has several years of experience in the studies of chemical sciences and technology. Prior to joining the Company, she was associated with Indian Institute of Technology, Hyderabad as a member of the board of governors and CSIR -Indian Institute of Chemical Technology, Hyderabad as a director. She currently holds the position of adjunct professor at Tezpur University and is the Dr. B. P. Godrej Distinguished Professor of Green Chemistry and Sustainability Engineering at Institute of Chemical Technology, Mumbai. She was also elected as a fellow of the Indian National Science Academy and National Academy of Sciences and the National Academy of Sciences, India and admitted as a fellow of the Royal Society of Chemistry in 2013 and has authored several chapters in books and published various patent applications.

Sanjay Puri is an Independent Director of our Company. He holds a marksheet for part II examination for bachelors' degree in science from University of Calcutta and masters of management degree from Northwestern University. He has been associated with our Company since August 1, 2020 and has over 27 years of experience in the finance industry. Prior to joining the Company, he was associated with the International Finance

Corporation as the chief investment officer. He is also the chief finance officer of Pantheum Inc. He is also a member of the credit committee of Bank-Fund Staff Federal Credit Union.

Nitin Mehta is an Independent Director of our Company. He holds a bachelors' degree in technology in chemical engineering from Banaras Hindu University, and a post graduate diploma in management from Management Development Institute, Gurgaon. He has experience in consumer business industry globally. Prior to joining the Company, he was associated with L'Oreal Bangladesh Limited as a managing director and Olam International Limited as a vice president (profit centre head-pasta) in Nigeria.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

There is no family relationship between any of our Directors or any of our Directors and Key Managerial Personnel.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

1. Samir Shantilal Somaiya

Samir Shantilal Somaiya was re-appointed as the Managing Director of our Company pursuant to a resolution passed by the Board of Directors at their meeting held on March 25, 2021, and a resolution passed by our Shareholders at their AGM held on July 5, 2021 for period of three years with effect from April 1, 2021 till March 31, 2024. Further, he was appointed as the Chairman of our Company pursuant to a resolution dated February 24, 2010. The remuneration was revised for Fiscal 2021 through a resolution of board dated March 25, 2021 and of the shareholders dated July 5, 2021. The following table sets forth the terms of appointment of Samir Shantilal Somaiya's as approved by our Shareholders at their meeting held on July 5, 2021:

Sr. No.	Category	Remuneration
1.	Basic salary	₹ 1,223,887 per month*
2.	Commission	2% of net profit
3.	Perquisites and allowances of expenses (at actuals)	Rent free accommodation or house rent allowance (limited to 60% of basic salary), medical and leave travel reimbursement, provision of car and other benefits as per applicable laws and Company's rules

* Pursuant to the Shareholders approval dated July 5, 2021, our Board may decide accelerated increments as may be deemed appropriate at its absolute discretion.

2. Sangeeta Arunkumar Srivastava

Sangeeta Arunkumar Srivastava was appointed as an Executive Director of our Company, pursuant to a resolution passed by the Board of Directors at their meeting held on August 1, 2020 and a resolution passed by our Shareholders at their AGM held on October 30, 2020 for a period of three years with effect from August 1, 2020 till July 31, 2023. The following table sets forth the terms of appointment of Sangeeta Arunkumar Srivastava as revised pursuant to resolutions passed by the Board of Directors at their meetings held on March 25, 2021 and September 8, 2021 and is effective April 1, 2021:

Sr. No.	Category	Remuneration*
1.	Basic salary	₹ 329,167 per month
2.	Special allowance	₹ 130,901 per month
3.	Bonus	20% of basic salary
4.	Commission	0.3% of the net profit, subject to limit of 100% of the basic salary
5.	Perquisites and allowances of expenses (at actuals)	House rent allowance (₹ 20,000 per month), food allowance (₹ 1,300 per month), medical and leave allowance, fuel reimbursement and other benefits as per applicable laws and Company's rules.

* Pursuant to the Shareholders approval dated October 30, 2020, our Board has the liberty to revise, implement, alter and vary terms of remuneration, as agreed between the Board and Sangeeta Arunkumar Srivastava in accordance with applicable law. Accordingly, the terms of remuneration approved in the Shareholders meeting dated October 30, 2020 was further revised pursuant to resolutions passed by the Board at their meetings held on March 25, 2021 and September 8, 2021.

3. Bhalachandra Bakshi

Bhalachandra Bakshi was re-appointed as Executive Director of our Company, pursuant to a resolution passed by the Board at its meeting held on March 25, 2021 and a resolution passed by our Shareholders at the AGM held July 5, 2021 for a period of three years with effect from April 1, 2021 till March 31, 2024. The following table sets forth the terms of appointment of Bhalachandra Bakshi as approved by our Shareholders held on July 5, 2021:

Sr. No.	Category	Remuneration
1.	Basic salary	₹ 295,900 per month*
2.	Special allowance	₹ 59,534 per month
3.	Bonus	20% of basic salary
4.	Commission	0.3% of net profit after tax of the Company, subject to limit of 100% of the basic salary
5.	Perquisites and allowances of expenses (at actuals)	Medical allowance, leave travel reimbursement, provision of housing and car and other benefits as per applicable laws and Company's rules.

* Pursuant to the Shareholders approval dated July 5, 2021, our Board may decide accelerated increments as may be deemed appropriate at its absolute discretion.

4. Suhas Uttam Godage

Suhas Uttam Godage was appointed as Additional Executive Director (Works – Sakarwadi) of our Company, pursuant to a resolution passed by the Board at its meeting held on September 8, 2021 with effect from September 8, 2021 till March 31, 2024, subject to Shareholders approval in the ensuing general meeting. The following table sets forth the terms of appointment of Suhas Uttam Godage, which is subject to Shareholders approval:

Sr. No.	Category	Remuneration
1.	Basic salary	₹ 166,673 per month
2.	Special allowance	₹ 93,109 per month
3.	Bonus	20% of basic salary
4.	Performance incentive	0.3% of net profit of Sakarwadi Manufacturing Facility with a maximum limit up to ₹ 2 million per annum
5.	Perquisites and allowances of expenses (at actuals)	Medical and leave travel reimbursement, provision of housing and car and other benefits as per applicable laws and Company's rules.

Terms of appointment of our Non-Executive Director and Independent Directors:

Pursuant to the Board resolution dated November 13, 2018, our Non-Executive Director and Independent Directors are entitled to receive sitting fees of ₹ 35,000 per meeting for attending meetings of the Board and the committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Our Non-Executive Director and Independent Director are not entitled to receive any commission from the Company.

Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration, sitting fees and/or commission paid to them for such period. The remuneration paid to our Directors in Fiscal 2021 is as follows:

1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2021 is as set out below:

(₹ in million)

S. No	Name of Director	Current Designation	Remuneration
1.	Samir Shantilal Somaiya	Chairman and Managing Director	26.31
2.	Sangeeta Arunkumar Srivastava	Executive Director	5.69
3.	Bhalachandra Bakshi	Executive Director	5.21
4.	Suhas Uttam Godage	Additional Executive Director (Works – Sakarwadi)	Not applicable*

* Suhas Uttam Godage received remuneration of ₹ 2.29 million as General Manager in Fiscal 2021. He was appointed on the Board of Directors in Fiscal 2022.

2. Non-Executive Director

The details of sitting fees paid to our Non-Executive Director during Fiscal 2021 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)
1.	Preeti Singh Rawat	0.21

3. Independent Directors

The details of sitting fees paid to our Independent Directors during Fiscal 2021 are as follows:

S.No.	Name of Director	Sitting fees paid (in ₹ million)
1.	Hemant Luthra	0.56
2.	Kailash Pershad	0.56
3.	Lakshmi Kantam Mannepalli	0.56
4.	Sanjay Puri	0.21
5.	Nitin Mehta	Not applicable*

* Nitin Mehta was appointed on the Board of Directors in Fiscal 2022.

Remuneration paid by our Subsidiaries

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2021.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Samir Shantilal Somaiya	6,021,211*
2.	Sangeeta Arunkumar Srivastava	100
3.	Bhalachandra Bakshi	60

* Does not include 149,950 Equity Shares held by in the name of Shantilal Karamshi Somaiya HUF. Samir Shantilal Somaiya is the karta of Shantilal Karamshi Somaiya HUF

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their AGM held on September 26, 2014, our Board has been authorized to borrow any sum or sums of money, in Indian Rupees and/or in any foreign currency from time to time, at our discretion, for the purpose of the business of our Company, which together with monies already borrowed by the Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, our Company's aggregate paid-up capital, free reserves (that is to say reserves not set apart for any specific purpose) by a sum not exceeding ₹ 15,000 million outstanding at any time over and above the aggregate of the then paid up capital of the Company and its free reserves.

Bonus or profit-sharing plan for our Directors

Except as mentioned above, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interest of Directors

All our Independent Directors and our Non-Executive Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Executive Directors may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company and any variable pay linked to profits earned by the Company, payable to them. Further, our Directors may be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as promoters, directors, members or trustees, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer or equity shares held by them in our Subsidiaries, if any, and any dividend and other distributions payable in respect of such shares. For details of Equity Shares held by our Directors, please see “– *Shareholding of Directors in our Company*” above. Samir Shantilal Somaiya and Bhalachandra Bakshi are also interested to the extent of their directorship in our Subsidiaries and any remuneration that may be payable to them as directors by our Subsidiaries.

Except as disclosed in under “*Restated Consolidated Financial Statements- 34 - Related Party Transactions*” on page 253 and stated below, none of our Directors are deemed to be interested in any contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity:

Our Company has entered into separate memorandum of understandings with Somaiya Properties and Investments Private Limited, Somaiya Chemical Industries Private Limited and Sakarwadi Trading Company Private Limited (“**Entities**”) each dated September 13, 2021 to purchase certain land near the Sakarwadi Manufacturing Facility for a total consideration of ₹182.08 million payable in tranches, for the purpose of expanding our manufacturing capacity for various chemicals at our Sakarwadi Manufacturing Facility. For more details, see “*Our Business – Properties*” and “*History and Certain Corporate Matters*” beginning on pages 165 and 175, respectively. Samir Shantilal Somaiya, our Chairman and Managing Director is interested in Somaiya Properties and Investments Private Limited and Sakarwadi Trading Company Private Limited as a director. Further, Suhas Uttam Godage, Additional Executive Director (Sakarwadi -Works) is also interested in Somaiya Properties and Investments Private Limited as a director.

Further, subject to approval of the Shareholders of the Company by way of a special resolution post listing of the Equity Shares, Samir Shantilal Somaiya shall continue to have the right to nominate one Director on the Board of our Company, in accordance with the Articles of Association. For details, see “*History and Certain Corporate Matters*”, “*Main Provisions of the Articles of Association*” and “*Risk Factors*” on pages 175, 331 and 29 respectively.

Other than Samir Shantilal Somaiya, none of our Directors have any interest in the promotion or formation of our Company.

Except as stated below, our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company:

Our Company has entered into separate memorandum of understandings with Somaiya Properties and Investments Private Limited, Somaiya Chemical Industries Private Limited and Sakarwadi Trading Company Private Limited (“**Entities**”) each dated September 13, 2021 to purchase certain land near the Sakarwadi Manufacturing Facility for a total consideration of ₹182.08 million payable in tranches, for the purpose of expanding our manufacturing capacity for various chemicals at our Sakarwadi Manufacturing Facility. For more details, see “*Our Business – Properties*” and “*History and Certain Corporate Matters*” beginning on pages 165 and 175, respectively. Samir Shantilal Somaiya, our Chairman and Managing Director is interested in these Entities as a shareholder and/or director. Further, Suhas Uttam Godage, Additional Executive Director (Sakarwadi -Works) is also interested in Somaiya Properties and Investments Private Limited as a director.

Further, pursuant to the Agreement for license to use trademark dated May 28, 2021 between K. J. Somaiya and Sons Private Limited (“**Licensor**”) and our Company, the Licensor has granted our Company a non-exclusive right to use, within India and outside India, the trademark “Somaiya” registered in its name under several classes (“**Somaiya Marks**”). Samir Shantilal Somaiya is interested in such agreement by virtue of being a shareholder of the Licensor. Additionally, in terms of our Articles, our Company shall use the Somaiya Marks till such time as the Somaiya group continue to collectively holds at least 25% of the paid-up equity share capital of our Company. In the event the collective shareholding of the Somaiya group falls below 25%, our Company requires the express consent of Samir Shantilal Somaiya or the Somaiya group to use the Somaiya Marks. For further details of interest of Samir Shantilal Somaiya in our Company, see “*Our Promoters and Promoter Group – Interests of Promoters*” on page 207.

Further, other than as disclosed above and as disclosed in “*Restated Consolidated Financial Statements- 34 - Related Party Transactions*” at page 253, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Changes to our Board in the last three years

Name	Date of appointment/ change in designation/ cessation	Reason
Suhas Uttam Godage	September 8, 2021	Appointment as an Additional Executive Director (Works – Sakarwadi)
Uday Ramakant Garg	August 27, 2021	Resignation due to pre-occupation
Dattatraya Vitthalrao Deshmukh	June 22, 2021	Cessation due to demise
Nitin Mehta	July 1, 2021	Appointment as an additional Independent Director ⁽¹⁾
Dattatraya Vitthalrao Deshmukh	April 1, 2021	Appointment as an additional Executive Director (Works)
S Mohan	May 31, 2021	Retirement
Jayendra Natwarlal Shah	February 4, 2021	Resignation
Vinay Venkatesh Joshi	September 30, 2020	Retirement
Sangeeta Arunkumar Srivastava	August 1, 2020	Appointment as an additional Executive Director ⁽²⁾
Sanjay Puri	August 1, 2020	Appointment as an additional Independent Director ⁽²⁾
Hemant Luthra	September 27, 2019	Appointment as an additional Independent Director ⁽²⁾
Werner Wutscher	June 21, 2019	Resignation due to health issues

(1) Regularized pursuant to a resolution passed by the Shareholders on July 5, 2021

(2) Regularized pursuant to a resolution passed by the Shareholders on October 30, 2020

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have 10 Directors on our Board, of whom five are Independent Directors including one Independent woman Director.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee

The Audit committee was last re-constituted by a resolution of our Board dated September 8, 2021. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Hemant Luthra	Chairperson	Independent Director
Kailash Pershad	Member	Independent Director
Sanjay Puri	Member	Independent Director
Lakshmi Kantam Mannepalli	Member	Independent Director
Samir Shantilal Somaiya	Member	Chairman and Managing Director

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The roles and responsibilities of the Audit Committee include the following:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
 - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
 - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
 - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Approval of the appointment of the chief financial officer of the Company after assessing the qualifications, experience and background, etc., of the candidate;
- (w) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
- (x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (aa) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and.
- (bb) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders; and
- (cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- iii. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- vi. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
 - review the financial statements, in particular, the investments made by any unlisted subsidiary.

2. Nomination and Remuneration Committee (“NR Committee”)

The NR Committee was last re-constituted by a resolution of our Board dated September 8, 2021. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Kailash Pershad	Chairperson	Independent Director
Hemant Luthra	Member	Independent Director
Lakshmi Kantam Mannepalli	Member	Independent Director
Sanjay Puri	Member	Independent Director
Preeti Singh Rawat	Member	Non-Executive Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The NR Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (k) 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.
- (l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,
- by the Company and its employees, as applicable;
- (n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- (o) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

3. Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee was last re-constituted by a resolution of our Board dated September 8, 2021. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Lakshmi Kantam Mannepalli	Chairperson	Independent Director
Hemant Luthra	Member	Independent Director
Bhalachandra Bakshi	Member	Executive Director
Suhas Uttam Godage	Member	Additional Executive Director (Works – Sakarwadi)

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise

such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

4. *Stakeholders Relationship Committee (“SR Committee”)*

The SR Committee was constituted by a resolution of our Board dated September 8, 2021. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Hemant Luthra	Chairperson	Independent Director
Kailash Pershad	Member	Independent Director
Lakshmi Kantam Mannepalli	Member	Independent Director
Preeti Singh Rawat	Member	Non- Executive Director
Bhalachandra Bakshi	Member	Executive Director

The scope and function of the SR Committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- Redressal of all security holders’ and investors’ grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- 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;
- Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company;
- Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

5. *Risk Management Committee (“RM Committee”)*

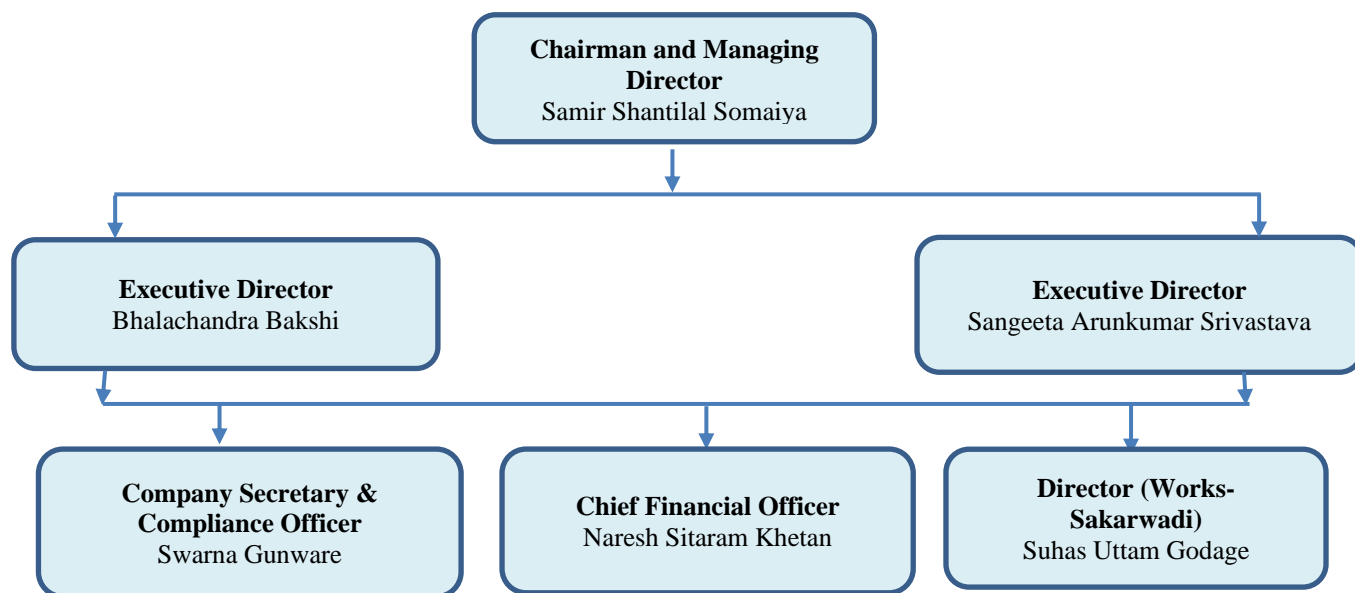
Our RM Committee was constituted pursuant to the meeting of the Board held on September 8, 2021. The current constitution of the RM Committee is as follows:

Name of Director	Position in the Committee	Designation
Sanjay Puri	Chairperson	Independent Director
Lakshmi Kantam Mannepalli	Member	Independent Director
Hemant Luthra	Member	Independent Director
Samir Shantilal Somaiya	Member	Chairman and Managing Director
Bhalachandra Bakshi	Member	Executive Director
Sangeeta Arunkumar Srivastava	Member	Executive Director
Suhas Uttam Godage	Member	Additional Executive Director (Works – Sakarwadi)
Nitin Mehta	Member	Independent Director

The scope and function of the RM Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To formulate a detailed risk management policy which shall include:
 - (i) framework for identification of internal and external risks specifically faced by our Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined;
 - (ii) measures for risk mitigation including systems and processes for internal control of identified risks;
 - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) 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;
- (g) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (h) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and
- (i) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the RM Committee.

Management organization chart



Key Managerial Personnel

In addition to Samir Shantilal Somaiya, our Chairman and Managing Director and Sangeeta Arunkumar Srivastava, Bhalachandra Bakshi and Suhas Uttam Godage, our Executive Directors, whose details are provided in “*Our Management - Brief profiles of our Directors*” on page 190, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Naresh Sitaram Khetan, is the Chief Financial Officer of our Company. He joined our Company in 2009. He holds a bachelors degree of commerce from University of Bombay and is an associate member of the Institute of Chartered Accountants of India. He has more than 20 years of experience in finance. Prior to joining our Company, he was associated with The Godavari Sugar Mills Ltd. as deputy general manager (finance). In Fiscal 2021, he received remuneration of ₹ 7.72 million from our Company.

Swarna Gunware, is the Company Secretary and Compliance Officer of our Company. She joined our Company on October 18, 2017. She holds a bachelors' degree in commerce from University of Mumbai. She is an associate member of the Institute of Company Secretaries of India. She has over 7 years of experience in secretarial matters. Prior to joining the Company, she was associated with Pentokey Organy (India) Limited as a company secretary. In Fiscal 2021, she received remuneration of ₹ 1.04 million from our Company.

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

None of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and understanding with major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

Except as disclosed above in “– *Shareholding of Directors in our Company*” and as stated below, none of our Key Managerial Personnel hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Name of the Director	Number of Equity Shares held
Naresh Sitaram Khetan	350

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Other than as disclosed in “*Our Management- Bonus or profit-sharing plan for our Directors*”, our Company does not have a performance linked bonus or profit sharing plan for our Executive Directors and our Executive Directors have not received any compensation in Fiscal 2021 pursuant to any bonus or profit sharing plan.

With respect to our Key Managerial Personnel (other than Executive Directors), except for performance based discretionary incentives paid in accordance with their respective terms of appointment and any payments required under applicable law, none of our Key Managerial Personnel are a party to any bonus or profit sharing plan or have received any compensation in Fiscal 2021 pursuant to any bonus or profit sharing plan.

Interest of Key Managerial Personnel

For details of the interest of our Executive Directors in our Company, see “*Our Management-Interest of Directors*” on page 195.

Our Key Managerial Personnel (other than our Directors) 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. Further, Naresh Sitaram Khetan, our Chief Financial Officer is interested to the extent of Equity Shares held by him, his relatives or by entities in which he is associated as a director, in our Company and to the extent of benefits arising out of such shareholding. For details, please see “– *Shareholding of the Key Managerial Personnel*” above.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Executive Directors, see “*Our Management - Changes to our Board in the last three years*” on page 196. There have been no changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Draft Red Herring Prospectus.

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section and *Restated Consolidated Financial Statements- 34 - Related Party Transactions*” on page 253, no non-salary related amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

Employee Stock Option

As on the date of this Draft Red Herring Prospectus, our Company has not formulated any employees’ stock option scheme.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

The Promoters of our Company are:


1. Samir Shantilal Somaiya; and
2. Somaiya Agencies Private Limited

As on the date of this Draft Red Herring Prospectus, our Promoters hold 15,375,879 Equity Shares in aggregate, representing 36.66 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” beginning on page 84.

Details of our Promoters are as follows:

Individual Promoter:

Samir Shantilal Somaiya

	<p>Samir Shantilal Somaiya, aged 53 years, is one of our Promoters, and is also the Chairman and Managing Director of our Company.</p> <p>Date of Birth: February 28, 1968</p> <p>Address: Padmanabh, 10, M. L. Dahanukar Marg, Mumbai - 400 026, Maharashtra, India</p> <p>Permanent Account: AMUPS9442C Aadhaar Card Number: 902699778960 Driving License: MH01 20080029392</p> <p>For the complete profile of Samir Shantilal Somaiya, along with details of his age, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 187.</p>
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Our Company confirms that the permanent account number, bank account number and passport number of Samir Shantilal Somaiya will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Corporate Promoter:

Somaiya Agencies Private Limited

Corporate information

Somaiya Agencies Private Limited was incorporated as a private limited company on August 30, 1964 under the Companies Act, 1956 having corporate identification number U52100MH1964PTC012992. The registered office of Somaiya Agencies Private Limited is located at Somaiya Bhavan, 45/47 M G Road, Fort, Mumbai – 400 001, Maharashtra, India. Somaiya Agencies Private Limited was originally incorporated to *inter alia* act as managing agents, secretaries and treasurers of any manufacturing company and to purchase, manufacture, sell sugar, sweets, molasses and other by-products. However, pursuant to an amendment to its memorandum of association approved by the shareholders of Somaiya Agencies Private Limited on May 21, 2021, its nature of business was changed to trading of books, newspapers, periodicals, magazines and other print and electronic media.

Board of directors

The board of directors of Somaiya Agencies Private Limited comprises of the following members:

1. Samir Shantilal Somaiya;
2. Amrita Samir Somaiya;
3. Shrinivas Gopal Mokashi; and
4. Sharvari J Nadkarni

The shareholding pattern of Somaiya Agencies Private Limited is as follows:

Name of the shareholder	Percentage of shareholding (%)
Samir Shantilal Somaiya	52.22
Sindhur Construction Pvt Ltd	46.27
Lakshmiwadi Mines and Minerals Private Limited	0.60
Shantilal Karamshi Somaiya HUF	0.54
K. J. Somaiya and Sons Private Limited	0.21
Sakarwadi Trading Company Private Limited	0.15

Promoters of Somaiya Agencies Private Limited

The promoters of Somaiya Agencies Private Limited are Samir Shantilal Somaiya and Sindhur Constructions Pvt Limited.

Details of corporate promoter of Somaiya Agencies Private Limited

Sindhur Construction Pvt Ltd was incorporated on June 25, 1981 under the Companies Act, 1956 as a private limited company. Its corporate identification number is U45200MH1981PTC024693. Its registered office is situated at Warden Appthouse, 3rd Floor, Sir P M Road, Mumbai – 400 001, Maharashtra, India. Presently, Samir Shantilal Somaiya holds fifteen percent or more of the voting rights of Sindhur Construction Pvt Ltd.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where Somaiya Agencies Private Limited is registered, will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Promoter

There has been no change in the control of Somaiya Agencies Private Limited in the three years preceding the date of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in this section and in the section titled “*Our Management – Other Directorships*” on page 187, our Promoters are not involved in any other ventures.

Interests of Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their directorship in our Company (in case of individual Promoter); (iii) of their respective shareholding in our Company and our Subsidiaries and shareholding of their relatives and shareholding of entities in which they are associated as promoters, directors, members or trustees, or Equity Shares that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer, as applicable; (iv) the dividends payable thereon; and (v) any other distributions in respect of their respective shareholding in our Company. For further details, see “*Capital Structure - Build-up of the Promoters’ shareholding in our Company*” beginning on page 84. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For further details of interest of our Promoters in our Company, see “*Financial Information*” on page 215.

Further, Samir Shantilal Somaiya, our individual Promoter is also interested in our Company as a Managing Director and Chairman and as a director in our Subsidiaries Solar Magic Private Limited, Cayuga Investments B.V. and Godavari Biorefineries Inc. and may be deemed to be interested in the remuneration, benefits and reimbursement of expenses payable to him in such capacity. For further details, see “*Our Management*” beginning on page 187. Samir Shantilal Somaiya is also interested in the Company to the extent of his right to nominate a director to the Board post listing of the Equity Shares on recognised stock exchanges, subject to the Articles of Association. For further details, see “*History and Certain Corporate Matters*”, “*Main Provisions of the Articles of Association*” and “*Risk Factors*” on pages 175, 331 and 29 respectively. For further details of interest of Samir Shantilal Somaiya in our Company, see “*Our Management – Interest of Directors*” on page 195.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

None of our Promoters have any interest in any property acquired by our Company in the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery, except as stated below:

Our Company has entered into a memorandum of understanding with Somaiya Properties and Investments Private Limited, Somaiya Chemical Industries Private Limited and Sakarwadi Trading Company Private Limited (“**Entities**”) each dated September 13, 2021 to purchase certain land near the Sakarwadi Manufacturing Facility for a total consideration of ₹ 182.08 million payable in tranches, for the purpose of expanding our manufacturing capacity for various chemicals at our Sakarwadi Manufacturing Facility. For more details, see “*Our Business – Properties*” and “*History and Certain Corporate Matters*” beginning on pages 165 and 175, respectively. Samir Shantilal Somaiya, our Chairman and Managing Director and individual Promoter is interested in these Entities as a shareholder and/or director. Further, Somaiya Agencies Private Limited, our corporate Promoter is interested in Somaiya Properties and Investments Private Limited and Sakarwadi Trading Company Private Limited as a shareholder.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in “*Restated Consolidated Financial Statements- 34 - Related Party Transactions*” on page 253, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except as mentioned below, none of our Promoters have disassociated itself from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

Name of Promoter	Name of the company	Date of disassociation	Reason for disassociation
Somaiya Agencies Private Limited	Pentokey Organy (India) Limited	May 14, 2021	Sale of shares pursuant to a share purchase agreement

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoter, are as follows:

S. No.	Name of member of our Promoter Group	Relationship with our individual Promoter
1.	Amrita Samir Somaiya	Spouse
2.	Harinakshi Somaiya	Sister
3.	Madhav Samir Somaiya	Son
4.	Gayatri Samir Somaiya	Daughter
5.	Meera Samir Somaiya	Daughter
6.	Mamtaben Mistry	Spouse's mother

Entities forming part of the Promoter Group

The entities and trusts forming part of our Promoter Group are as follows:

1. Amrakunj Plantations Pvt Ltd
2. Amrita Travel Pvt Ltd
3. Anang Plantations Pvt Ltd
4. Arpit Limited
5. Asopalav Leasing and Estate Pvt Ltd
6. Filmedia Communication Systems Private Limited
7. Genesis Labs Limited
8. Godavari Cellulosics Limited
9. Jan Jyot Investments Private Limited
10. Jasmine Trading Company Private Limited
11. Karnataka Organic Chemicals Private Limited
12. K. J. Somaiya and Sons Private Limited
13. Lakshmiwadi Mines and Minerals Private Limited
14. Sakarwadi Trading Company Private Limited
15. Sindhur Construction Pvt Ltd
16. Somaiya Chemical Industries Private Limited
17. Somaiya Foundation
18. Somaiya Properties and Investments Private Limited
19. Somaiya Publications Private Limited
20. Studio 3 Architects Pvt Ltd
21. The Book Centre Limited
22. Yagna INC
23. Zenith Commercial Agencies Pvt. Ltd.

The Hindu Undivided Families and firms forming part of our Promoter Group are as follows:

1. Shantilal Karamshi Somaiya HUF.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Draft Red Herring Prospectus if: (i) our Company and / or our Promoters hold 10% or more of the equity share capital of such company; and (ii) our Company has entered into one or more transactions with such company during the last completed fiscal year, which individually or cumulatively in value exceeds 5% of the total consolidated income of our Company for that fiscal year as per the Restated Consolidated Financial Statements.

Based on the above, our Group Companies are set forth below:

- a. Pentokey Organy (India) Limited;
- b. Mandala Capital AG Limited;
- c. Amrita Travel Pvt Ltd;
- d. Arpit Limited;
- e. Somaiya Chemical Industries Private Limited;
- f. The Book Centre Limited;
- g. Zenith Commercial Agencies Pvt. Ltd.;
- h. Jasmine Trading Company Private Limited;
- i. Somaiya Properties & Investments Private Limited;
- j. K. J. Somaiya & Sons Private Limited;
- k. Filmedia Communication Systems Private Limited; and
- l. Somaiya Publications Private Limited.

Details of our Group Companies

A. *Top five Group Companies*

Our top five Group Companies comprise of (a) Pentokey Organy (India) Limited (which is a company listed on BSE); (b) Mandala Capital AG Limited; (c) Amrita Travel Pvt Ltd, Arpit Limited; and (d) Somaiya Chemical Industries Private Limited (based on turnover for preceding audited year) are as follows:

1. **Pentokey Organy (India) Limited (“Pentokey”)**

Registered office

The registered office of Pentokey is situated at 509, Western Edge I, Western Express Highway, Food Corporation of India Warehouse, Borivali (E), Mumbai - 400 066, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of Pentokey, for the Fiscals 2021, 2020 and 2019, are available at http://www.pentokey.com/financial_Info.htm.

2. **Mandala Capital AG Limited (“Mandala”)**

Registered office

The registered office of Mandala is situated at Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201,

Mauritius.

Financial information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of Mandala, for the Calendar Years 2020, 2019 and 2018, are available at <https://godavaribiorefineries.com/group-companies>.

3. Amrita Travel Pvt Ltd (“Amrita Travel”)

Registered office

The registered office of Amrita Travel is situated at S/11, 51-52, "Preksha Bhoomi" Apartment Lane next to Vodafone Office, Navrangpura, Ahmedabad – 380 009.

Financial information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of Amrita Travel, for the Fiscals 2020, 2019 and 2018, are available at <https://godavaribiorefineries.com/group-companies>.

4. Arpit Limited

Registered office

The registered office of Arpit Limited is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of Arpit Limited, for the Fiscals 2020, 2019 and 2018, are available at <https://godavaribiorefineries.com/group-companies>.

5. Somaiya Chemical Industries Private Limited (“Somaiya Chemical”)

Registered office

The registered office of Somaiya Chemical is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

Financial information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of Somaiya Chemicals, for the Fiscals 2020, 2019 and 2018, are available at <https://godavaribiorefineries.com/group-companies>.

B. Other Group Companies

The details of the rest of our Group Companies are as follows:

1. The Book Centre Limited (“The Book Centre”)

The registered office of Book Centre is situated at LIC Building 1st Floor Ranade road, Dadar, Mumbai – 400 028, Maharashtra, India.

2. Zenith Commercial Agencies Pvt. Ltd. (“Zenith Commercial”)

The registered office of Zenith Commercial is situated at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai – 400 001, Maharashtra, India.

3. Jasmine Trading Company Private Limited (“Jasmine Trading”)

The registered office of Jasmine Trading is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

4. Somaiya Properties & Investments Private Limited (“Somaiya Properties”)

The registered office of Somaiya Properties is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

5. K. J. Somaiya & Sons Private Limited (“K.J. Somaiya”)

The registered office of K. J. Somaiya is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

6. Filmedia Communication Systems Private Limited (“Filmedia”)

The registered office of Filmedia is situated at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India.

7. Somaiya Publications Private Limited (“Somaiya Publications”)

The registered office of Somaiya Publications is situated at 172 Mumbai Marathi Granthsangrhalaya Marg, Dadar, Mumbai- 400 014, Maharashtra, India.

Nature and extent of interest of Group Companies

In the promotion of our Company

Except as disclosed below, none of our Group Companies have any interest in the promotion of our Company.

Godavari Investment and Finance Corporation Limited was a subsidiary of The Godavari Sugar Mills Limited. In the year 2006, the name of our Company was changed from Godavari Investment and Finance Corporation Limited to Godavari Biorefineries Limited. The sugar, power, chemical and distillery business (the “**Business**”) of The Godavari Sugar Mills Limited, was demerged into our Company on April 21, 2009, with effect from April 1, 2008. In the year 2010, the name of The Godavari Sugar Mills Limited was changed to The Godavari Sugar Mills Private Limited which was subsequently changed to Somaiya Properties & Investments Private Limited, in the year 2013.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Except as disclosed below, none of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

- Our Registered and Corporate Office is located on premises leased from Filmedia Communication Systems Private Limited under a leave and license agreement for a term of 12 months until March 31, 2022.
- Our Company has entered into separate memorandum of understandings with Somaiya Properties and Investments Private Limited, Somaiya Chemical Industries Private Limited and Sakarwadi Trading Company Private Limited (“**Entities**”), each dated September 13, 2021, to purchase certain land near the Sakarwadi Manufacturing Facility for the purpose of expanding our manufacturing capacity for various chemicals at our Sakarwadi Manufacturing Facility. For more details, see “*Our Business–Properties*” and “*History and Certain Corporate Matters– Other Material Agreements*” on pages 165 and 181.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Except as disclosed “-*In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*”, none of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Restated Consolidated Financial Statements- 34 - Related Party Transactions*” on page 253, there are no related business transactions with the Group Companies.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Restated Consolidated Financial Statements- 34 - Related Party Transactions*” on page 253, none of our Group Companies have any business interest in our Company.

Confirmations

Except as mentioned above, none of our Group Companies are listed on a stock exchange. Further, except as mentioned above, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Our Company has adopted a dividend distribution policy (“**Dividend Policy**”) pursuant to a resolution of the Board dated September 8, 2021. The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, in terms of the Dividend Policy and subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. In accordance with the Dividend Policy, the Board shall consider *inter alia* the following financial and internal parameters before declaring dividend: (i) distributable surplus available as per the Companies Act and Listing Regulations (ii) liquidity position and future cash flow needs; (iii) track record of dividends distributed by our Company; (iv) capital expenditure requirements considering the expansion and acquisition opportunities; (v) cost and availability of alternative sources of financing; (vi) providing of unforeseen event and contingency with financial implications; and (vii) other factors considered relevant by our Board.

In addition, our ability to pay dividends may be impacted by a number of external factors, including significant macro-economic environment, regulatory and technological changes, and restrictive covenants under the loan or financing arrangements, our Company is currently availing of or may enter into, to finance our fund requirements for our business activities. For details in relation to the risks in this regard, see “*Financial Indebtedness*” on page 283.

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future. For details, see “*Risk Factors –Our Company’s ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company’s earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.*” on page 51.

Our Company has not paid any dividend during Fiscals 2021, 2020 and 2019. Further, our Company has not declared any dividend since April 1, 2021, until the date of filing of this Draft Red Herring Prospectus.

SECTION VII – FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL STATEMENTS

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE
RESTATED CONSOLIDATED FINANCIAL INFORMATION**

**The Board of Directors
Godavari Biorefineries Limited**

Somaiya Bhavan,
45/47, Mahatma Gandhi Road,
Fort, Mumbai – 400001
Maharashtra, India
(the “**Company**”)

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Godavari Biorefineries Limited (the “**Company**” or the “**Issuer**”) and its subsidiaries (together referred to as “**Group**”), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, and other explanatory information (collectively, the “**Restated Consolidated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on September 8, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (“**DRHP**”), Red Herring Prospectus (“**RHP**”) and Prospectus (collectively, the “**Offer Documents**”) prepared / to be prepared by the Company in connection with the proposed initial public offering of its equity shares which includes an offer for sale by existing shareholders of the Company (the “**Proposed IPO**”) prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”);
 - b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
 - c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited (collectively the “**Stock Exchanges**”) and Registrar of Companies, Maharashtra at Mumbai, as required, in connection with the Proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1 of Annexure V to the Restated Consolidated Financial Information. The responsibility of the Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the Group are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 2, 2021 in connection with the Proposed IPO;
 - b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

- d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.
4. The Restated Consolidated Financial Information have been compiled by the management from audited consolidated Ind AS financial statements of the Group as at and for each of the years ended March 31, 2021, 2020 and 2019, prepared in accordance with the Indian Accounting Standards (referred to as “**Ind AS**”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on June 5, 2021, September 10, 2020 and July 24, 2019 respectively.
5. For the purpose of our examination, we have relied on auditors’ reports issued by us, on the audited consolidated Ind AS financial statements of the Group as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively, as referred in paragraph 4 above.
6. The audit report on the audited consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2019 included the below:

“The consolidated Ind AS financial statements include the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹31.49 crore as at March 31, 2019, total revenues of ₹21.82 crore and net cash inflows amounting to ₹ 3.06 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements, which have not been audited by us.

These financial statements have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the financial statements of, one unaudited subsidiary located outside India and three audited subsidiaries of which one is located in India and two are located outside India which have been Audited by other Auditors whose reports have been furnished to us by the management.”

The financial statements of the abovementioned unaudited subsidiary, Godavari Biorefineries Inc. was subsequently audited and has been considered and relied upon for the purposes of the Restated Consolidated Financial Information. This did not require any adjustments in these Restated Consolidated Financial Information as there were no changes in the financial statements prepared by the management and those that were subsequently audited.

7. As indicated in our audit reports referred above, we did not audit the financial statements of the four subsidiaries (as mentioned in Annexure A) included in the Group for each of the financial years ended and as at March 31, 2021, March 31, 2020 and March 31, 2019, whose share of total assets, total revenues, net cash inflows/(outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below:

(₹ in million)

Particulars	As at / for the year ended March 31, 2021	As at / for the year ended March 31, 2020	As at / for the year ended March 31, 2019
Number of Subsidiaries	4	4	4
Total assets	301.19	310.78	314.85
Total revenue	327.93	278.82	218.22
Net cash inflow / (outflows)	16.88	1.22	30.59

These financial statements have been audited by other auditors (as mentioned in Annexure A), and, whose reports have been furnished to us by the Company’s management and our opinion on the audited

consolidated Ind AS financial statements of the Group and the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

8. Based on our examination and according to the information and explanations given to us for the respective years, we report that:
 - a. the Restated Consolidated Financial Information has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the financial year ended March 31, 2021;
 - b. There are no qualifications in the independent auditor's reports on the audited consolidated Ind AS financial statements of the Group as at and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments in the Restated Consolidated Financial Information; and
 - c. the Restated Consolidated Financial Information has been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated Ind AS financial statements of the Group mentioned in paragraph 4 above.
11. 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.
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 Offer Documents to be filed with Securities and Exchange Board of India, the Stock Exchanges and Registrar of Companies, Maharashtra at Mumbai, as required, in connection with the Proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For VERMA MEHTA & ASSOCIATES
Chartered Accountants
FRN. 112118W

Vimlesh Mehta
Partner
Membership No.:043599
Place: Mumbai
Dated: 08/09/2021
UDIN: 21043599AAAAAR2991

ANNEXURE A

Details of subsidiaries of the Company audited by other auditors for the respective years:

Sr. No.	Name of Subsidiary - Along with Type (i.e. Foreign/Domestic)	Status of Audit of Financial Statements along with name of Auditor		
		As at/ for the financial year ended March 31, 2021	As at/ for the financial year ended March 31, 2020	As at/ for the financial year ended March 31, 2019
1	Solar Magic Private Limited (Domestic)	Audited by Desai Saksena & Associates	Audited by Desai Saksena & Associates	Audited by Desai Saksena & Associates
2	Godavari Biorefineries Inc. (Foreign)	Audited by V S C & Company	Audited by Port, Kashdin & McSherry	Audited by Grossman St. Amour*
3	Godavari Biorefineries B. V. (Foreign)	Audited by Ramdas & Partners	Audited by Ramdas & Partners	Audited by Londen & Van Holand
4	Cayuga Investments B. V. (Foreign)	Audited by Ramdas & Partners	Audited by Ramdas & Partners	Audited by Londen & Van Holand

**Audited subsequent to the audit report on the audited consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2019.*

Annexure I
Restated Consolidated Statement of Assets and Liabilities

(Amount in INR Million)

Particulars	Notes	March 31, 2021	March 31, 2020	March 31, 2019
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	7,071.79	7,342.17	6,942.48
(b) Capital Work-in-Progress	1	86.53	166.87	673.99
(c) Right-of-use	1	4.37	4.50	4.61
(d) Intangible Assets	2	2.03	2.89	3.70
(e) Investments accounted for using the equity method	3	0.47	0.47	0.47
(f) Financial Assets				
(i) Investments	3A	0.00	0.00	0.00
(ii) Trade Receivables	5	17.08	12.31	34.34
(iii) Other Financial Assets	3B	37.25	41.39	37.47
(g) Deferred Tax Asset (Net)	9	-	156.64	148.48
(h) Other Non-Current Assets	8	170.39	173.39	110.84
		7,389.91	7,900.63	7,956.38
Current assets				
(a) Inventories	4	4,236.56	3,828.35	5,693.31
(b) Financial Assets				
(i) Trade Receivables	5	1,691.55	1,257.04	1,435.65
(ii) Cash and Cash Equivalents	6	78.97	57.73	52.49
(iii) Bank Balances Other than (ii) above	7	417.67	382.82	345.83
(iv) Other Financial Assets	3B	327.73	633.78	421.78
(c) Other Current Assets	8	274.58	284.51	512.03
		7,027.07	6,444.23	8,461.09
TOTAL		14,416.98	14,344.86	16,417.47
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	419.43	419.43	383.76
(b) Other Equity	11	4,119.79	3,851.89	3,204.58
		4,539.22	4,271.32	3,588.34
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	3,324.89	1,231.83	1,351.26
(ii) Lease Liabilities	13	3.03	2.93	3.15
(iii) Other Financial Liabilities	14	0.72	0.72	0.72
(b) Provisions	17	16.94	15.46	14.30
(c) Deferred Tax liabilities (Net)	9	7.90	-	-
(d) Other Non-Current Liabilities	16	26.18	114.00	57.80
		3,379.66	1,364.94	1,427.23
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	1,688.03	4,446.98	6,434.34
(ii) Lease Liabilities	13	1.83	1.98	1.72
(iii) Trade Payables	15			
Micro, Small and Medium Enterprises		48.66	23.13	18.62
Others		3,763.83	3,582.44	4,271.90
(iv) Other Financial Liabilities	14	883.93	510.95	564.85
(b) Other Current Liabilities	16	74.55	100.01	63.07
(c) Provisions	17	37.27	43.11	46.01
(d) Current Tax Liabilities (Net)	18	-	-	1.38
		6,498.10	8,708.60	11,401.90
TOTAL		14,416.98	14,344.86	16,417.47

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Consolidated Financial information, Annexure VI - Statement of Restatement Adjustments and Annexure VII - Notes to Restated Consolidated Financial Information.

As per our report attached

For VERMA MEHTA & ASSOCIATES
Chartered Accountants
Firm Registration Number 112118W
Vimlesh Mehta
Partner
Membership No. 043599

For and on behalf of the Board of Directors
Godavari Biorefineries Limited
CIN: U67120MH1956PLC009707
Samir Somaiya
Chairman & Managing Director
DIN: 00295458

Sangeeta Srivastava
Executive Director
DIN: 00480462

N.S. Khetan
Chief Financial Officer
Membership No. F037264

Swarna S. Gunware
Company Secretary and
Compliance Officer
Membership No. 32787

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Annexure II
Restated Consolidated Statement of Profit and Loss

(Amount in INR Million unless stated otherwise)

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
REVENUE				
Revenue from operations (net)	20	15,381.73	14,591.49	15,522.29
Other income	21	82.11	136.47	140.98
Total Revenue (I)		15,463.84	14,727.96	15,663.28
EXPENSES				
Cost of materials consumed	22	10,834.25	8,800.49	10,507.87
Purchases of stock-in-trade	23	115.05	96.27	126.97
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(376.94)	1,821.58	602.71
Employee benefits expense	25	854.91	842.82	813.97
Finance costs	26	723.76	687.35	898.99
Depreciation and amortization expense	27	471.3	449.49	498.93
Other expenses	28	2,378.27	1,997.05	2,150.16
Total Expenses (II)		15,000.60	14,695.05	15,599.60
Profit/ (Loss) before tax		463.24	32.91	63.67
Tax expense:				
Current tax		3.34	1.04	1.39
Adjustment of tax relating to earlier periods		21.68	-	-
Deferred tax		166.67	(8.75)	6.95
Profit/(loss) for the period		271.55	40.63	55.33
OTHER COMPREHENSIVE INCOME				
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Remeasurement of gains (losses) on defined benefit plans		(6.84)	1.92	(4.94)
Income tax effect		2.13	(0.60)	1.54
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:				
Exchange differences in translating the financial statements of a foreign operation		1.06	(1.05)	(3.59)
Other Comprehensive income for the year, net of tax		(3.65)	0.27	(6.98)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		267.89	40.9	48.35
Earnings per share for profit attributable to equity shareholders				
Basic EPS and Diluted EPS (In INR)	30	6.47	1.00	1.46

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Consolidated Financial information, Annexure VI - Statement of Restatement Adjustments and Annexure VII - Notes to Restated Consolidated Financial Information.

As per our report attached

For VERMA MEHTA & ASSOCIATES
Chartered Accountants
Firm Registration Number 112118W
Vimlesh Mehta
Partner
Membership No. 043599

For and on behalf of the Board of Directors
Godavari Biorefineries Limited
CIN: U67120MH1956PLC009707
Samir Somaiya
Chairman & Managing Director
DIN: 00295458

Sangeeta Srivastava
Executive Director
DIN: 00480462

N.S. Khetan
Chief Financial Officer
Membership No. F037264

Swarna S. Gunware
Company Secretary and
Compliance Officer
Membership No. 32787

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Annexure III
Restated Consolidated Statement of Changes in Equity

A Equity Share Capital

Particulars	(Amount in INR Million) (Except number of shares which are in absolute numbers)		
	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
As at March 31, 2018			
Numbers	36,952,347	685,286	37,637,633
Amount	369.52	6.85	376.38
As at March 31, 2019			
Numbers	37,637,633	738,275	38,375,908
Amount	376.38	7.38	383.76
As at March 31, 2020			
Numbers	38,375,908	3,567,115	41,943,023
Amount	383.76	35.67	419.43
As at March 31, 2021			
Numbers	41,943,023	-	41,943,023
Amount	419.43	-	419.43

B Other Equity

Particulars	(Amount in INR Million)					
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Reserves and Surplus Exchange differences on translating the financial statements of a foreign operation	Total
As at March 31, 2018	1,860.96	186.54	57.35	882.47	10.26	2,997.58
Restated Profit for the period	-	-	-	55.33	-	55.33
Other comprehensive income	-	-	-	(3.40)	(3.59)	(6.98)
Total comprehensive income for the year	-	-	-	51.94	-	48.35
Issue of equity shares	158.73	-	-	-	-	158.73
Ind AS 116 impact	-	-	-	(0.11)	-	(0.11)
Income tax on above	-	-	-	0.03	-	0.03
As at March 31, 2019	2,019.69	186.54	57.35	934.34	6.68	3,204.58
Restated Profit for the period	-	-	-	40.63	-	40.63
Other comprehensive income	-	-	-	1.32	(1.05)	0.27
Total comprehensive income for the year	-	-	-	41.95	(1.05)	40.90
Issue of equity shares	606.41	-	-	-	-	606.41
Ind AS 116 Impact	-	-	-	-	-	-
Income tax on above	-	-	-	-	-	-
As at March 31, 2020	2,626.09	186.54	57.35	976.28	5.63	3,851.89
Restated Profit for the period	-	-	-	271.55	-	271.55
Other comprehensive income	-	-	-	(4.70)	1.06	(3.65)
Total comprehensive income for the year	-	-	-	266.85	1.06	267.89
As at March 31, 2021	2,626.09	186.54	57.35	1,243.13	6.69	4,119.79

Annexure IV

Restated Consolidated Statement of Cash Flows

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit / (Loss) before income tax :	463.24	32.91	63.67
Adjustments for:			
Depreciation and amortisation expense`	471.30	449.49	498.93
(Profit) / Loss on Sale of Property, Plant and Equipment	(11.81)	(38.65)	(34.46)
Sundry Debit/Credit Balances Written Off/Back (Net)	5.23	(36.47)	(8.81)
Loss Allowance on receivables	11.47	5.00	2.70
Loss Allowance on advances	77.99	-	-
Write-down of inventories (stores)	-	-	2.00
Interest income classified as investing cash flows	(32.76)	(38.20)	(36.80)
Interest and finance charges	723.76	687.35	898.99
Impairment loss on PPE	-	0.94	-
Government grant income	(1.95)	(2.29)	(2.33)
Fair value gain on financial instruments at fair value through profit and loss	(3.73)	-	-
Unrealised foreign currency (gain)/loss	1.06	(1.11)	(35.30)
Change in operating assets and liabilities:			
Trade payables	206.92	(687.56)	1,420.17
Other liabilities	261.63	152.71	(154.69)
Provisions	(9.08)	(0.42)	3.39
Trade receivables	(455.98)	195.70	(67.66)
Inventories	(408.22)	1,863.97	568.75
Other assets	219.72	(44.25)	(254.39)
Other bank balance	(34.85)	(36.99)	-
Cash generated from operations	1,483.96	2,502.14	2,864.14
Less: Income taxes (paid) refund received	3.30	(6.44)	(6.60)
Net cash inflow from operating activities	1,487.26	2,495.69	2,870.75
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property, plant and equipment (net)	(123.41)	(264.73)	(686.78)
Proceed from sale of property, plant and equipment	15.31	-	103.13
Interest received	33.19	38.71	37.90
Net cash outflow from investing activities	(74.91)	(226.02)	(545.75)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from /(Repayment of) non current borrowings	(607.44)	2,106.79	1,510.52
Repayment of Lease Liabilities	(1.46)	(1.19)	(0.73)
Issue of share capital including share premium (net)	-	642.08	166.11
Interest and finance charges paid	(782.20)	(798.54)	(967.32)
Net cash inflow (outflow) from financing activities	(1,391.11)	(2,264.44)	(2,312.46)
Net increase (decrease) in cash and cash equivalents	21.24	5.24	12.54
Cash and Cash Equivalents at the beginning of the financial year	57.73	52.49	39.95
Cash and Cash Equivalents at end of the year	78.97	57.73	52.49
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following:			
Balances with banks:			
- On current accounts	67.91	48.80	48.09
- Deposits with original maturity of less than three months	10.09	5.21	3.47
Cash on hand	0.97	3.72	0.94
Balances per statement of cash flows	78.97	57.73	52.49

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
- Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification.

As per our report attached

For VERMA MEHTA & ASSOCIATES
Chartered Accountants
Firm Registration Number 112118W
Vimlesh Mehta
Partner
Membership No. 043599

For and on behalf of the Board of Directors
Godavari Biorefineries Limited
CIN: U67120MH1956PLC009707
Samir Somaia
Chairman & Managing Director
DIN: 00295458

Sangeeta Srivastava
Executive Director
DIN: 00480462

N.S. Khetan
Chief Financial Officer
Membership No. F037264

Swarna S. Gunware
Company Secretary and
Compliance Officer
Membership No. 32787

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Place: Mumbai
Date: September 8, 2021

Annexure V

Significant accounting policies and explanatory notes to Restated Consolidated Financial Information

1 Corporate Information

Godavari Biorefineries Limited (CIN: U67120MH1956PLC009707) (the Holding Company) and its subsidiaries (collectively, 'the Company' or 'the Group') are principally engaged in the manufacturing of sugar, power generation, bio-based chemicals, distillery and other bio products. The holding company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its Equity share is unlisted.

The registered office of the company is located at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

Subsidiaries consolidated include Solar Magic Private Limited, Cayuga Investments B.V, Godavari Biorefineries B.V. and Godavari Biorefineries Inc.

The Company's Restated Consolidated Financial Information for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 were approved for issue in accordance with a resolution of the 8th September, 2021

2 Significant Accounting Policies

2.1 Basis of preparation

The restated consolidated statement of assets and liabilities of Godavari Biorefineries Limited as at March 31, 2021, March 31, 2020 and March 31, 2019 and the restated consolidated statement of profit and loss, restated consolidated statement of changes in equity and restated consolidated statement of cash flows for years ended March 31, 2021, March 31, 2020 and March 31, 2019 (hereinafter collectively referred to as "Restated Consolidated Financial Information") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Rs. 10 each of the Company and offer for sale by the selling shareholders of the Company (collectively, the "Offering"). The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a. Sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 (the "Act") and
- b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations")
- c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI (referred to as the Guidance Note).

The Restated Consolidated Financial Information has been compiled from the audited annual financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and approved by the Board of Directors of the Company on directors on 5th June 2021, 10th September 2020 and 24th July 2019 respectively.

The Restated Consolidated Financial Information has been prepared on a historical cost convention, except for the following that are measured at fair value as required by the relevant Ind AS that are effective as at 31st March 2021:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification (refer accounting policy regarding financial instruments),
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- Certain items of Property, Plant and Equipment (viz. Land), which have been valued at fair value as on the date of transition to Ind AS.

The Restated Consolidated Financial Information is presented in Indian Rupees "INR" and all values are stated as INR million, except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., years ended on 31st March 2021, 31st March 2020, and 31st March 2019.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line method using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of an item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leasehold land is amortised on a straight line basis over the balance period of lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The residual values are not more than 5% of the original cost of the asset.

(d) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Amortisation methods and periods

Intangible assets comprising of patents are amortized on a straight line basis over the useful life of five years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(e) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility including commercial market has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The Property plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

(f) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entities operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss. Non monetary assets and liabilities are carried at cost.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

(h) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) 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.

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 a Company are recognised at the proceeds received.

(j) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probability that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have probable certainty that it will pay normal tax during the specified period.

(k) Inventories:

Raw Materials are valued at lower of moving average cost or net realisable value.

Stores and Spares are valued at moving average cost.

Work-in-Progress stocks is converted into equivalent units of finished stocks. Work-in-Progress valued at lower of cost or net realisable value.

Finished stocks are valued at cost or net realisable value whichever is lower.

Bagasse, Molasses and waste/scrap generated in the production process are valued at net realisable value.

The valuation of inventories includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of inventory, net of excise duty/Goods and Service Tax/ countervailing duty / education cess and value added tax.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

(l) Revenue recognition

Revenue from contracts with customers is recognized when control or substantial risks and rewards of ownership of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company collects taxes such as GST, sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with customers".

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Revenue from sale of manufactured and traded goods is recognised when control or substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.

(ii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iii) Dividend income

Dividends are recognised when right to receive is established.

(iv) Other income

Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.

(m) Employee Benefit Obligations:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans viz gratuity,
- (b) defined contribution plans viz state governed provident fund scheme and employee pension scheme.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit 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 plan assets are administered by the approved gratuity fund trust.

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.

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. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(n) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(o) Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

(i) As a lessee

The company recognises a Right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured 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 received.

The Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term. 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, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(q) Borrowing Costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(r) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(s) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(u) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - 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 non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Critical estimates and judgements

(i) Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

(ii) Estimation of net realizable value for inventories

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

(iii) Recoverability of trade receivables

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience except for power receivables.

(iv) Useful lives of property, plant and equipment/intangible assets

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(v) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

(vi) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Annexure VI

Part A: Statement of Restatement Adjustments

Reconciliation between audited profit and restated profit

(Amount in INR Million)

Sr. No.	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
A	Profit after tax (as per audited financial statements)		271.55	40.63	55.43
B	Restatement Adjustments	1			
	<u>Impact of Ind AS 116</u>				
	(Increase)/decrease in total expenses				
	Depreciation of right-of-use assets		-	-	(0.63)
	Finance cost on lease liability		-	-	(0.23)
	Other expenses		-	-	0.73
C	Total impact of adjustments		-	-	(0.13)
D	Tax impact on adjustments		-	-	0.04
E	Restated profit after tax (C+D)		271.55	40.63	55.34

Reconciliation between total audited equity and total restated equity

(Amount in INR Million)

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A.	Total Equity as per audited financial statements		4,539.22	4,271.31	3,588.51	3,373.95
B.	Material Restatement Adjustments					
	(i) Audit Qualifications :		-	-	-	-
	(ii) Other material adjustments					
	Impact of First time adoption of Ind AS 116		-	-	(0.24)	(0.11)
	Deferred Tax impact on above		0.01	0.02	0.08	0.03
	Total (B)	-	-	0.01	0.02	(0.17)
C.	Total Equity as Restated Consolidated Statement of Assets and Liabilities (A+B)	-	-	4,539.23	4,271.33	3,588.34
						3,373.88

Part B: Reconciliation of total equity as per audited financial statements with total equity as per Restated Consolidated Financial Information as at March 31, 2019

The Company has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 01, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Financial Information for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019. As specified in the Guidance Note, the equity balance computed under Restated Consolidated Financial Information for the years ended March 31, 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on April 01, 2019, differs due to restatement adjustments made for the year ended March 31, 2019.

Part C: Material Regrouping

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the year ended March 31, 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of 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 D: Non adjusting items

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended), on the financial statements for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which do not require any corrective adjustment in the Restated Consolidated Financial Information are as follows:

As at and for the year ended March 31, 2021

Annexure - A to the Independent Auditors' Report for the year ended 31st March 2021

Clause (vii) (b)

According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty, income tax and electricity duty:

Name of the Statute	Nature of Dues	Period to which it pertains	Forum where Dispute is Pending	Amount (Excluding Interest and Penalty) (INR in Million)
The Central Excise Act, 1944	Excise Duty	2009-2010	Commissioner of Central Excise	13.09
		2008-09, 2009-10, 2010-11, 2014-15, 2015-16	CESTAT	28.06
		2004-05	Supreme Court	3.77
		2005-06, 2006-2007	Commissioner of State Excise	16.44
		2015-16	Commissioner of Central Excise (Appeals)	15.21
Customs Act, 1962	Customs Duty	2013-14	CESTAT	2.54
Customs Act, 1962	Customs Duty	2016-17 and 2017-18	CRA HO, Mumbai, Customs	36.20
Cross Subsidy Surcharges	Cross Subsidy Surcharges	01/05/2013 to 31/10/2016	Karnataka Electricity Regulatory Commission	59.10

As at and for the year ended March 31, 2020 Clause (vii) (b)

According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty, income tax and electricity duty:

Name of the Statute	Nature of Dues	Period to which it pertains	Forum where Dispute is Pending	Amount (Excluding Interest and Penalty) (INR in Million)
The Central Excise Act, 1944	Excise Duty	2009-2010	Commissioner of Central Excise	13.09
		2008-09, 2009-10, 2010-11, 2014-15, 2015-16	CESTAT	28.06
		2004-05	Supreme Court	3.77
		2005-06, 2006-2007	Commissioner of State Excise	16.44
		2015-16	Commissioner of Central Excise (Appeals)	15.21
Customs Act, 1962	Customs Duty	2013-14	CESTAT	2.54

As at and for the year ended March 31, 2019 Clause (vii) (b)

According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty, income tax and electricity duty:

Name of the Statute	Nature of Dues	Period to which it pertains	Forum where Dispute is Pending	Amount (Excluding Interest and Penalty) (INR in Million)
The Central Excise Act, 1944	Excise Duty	2009-2010	Commissioner of Central Excise	13.09
		2008-09, 2009-10, 2010-11, 2014-15, 2015-16	CESTAT	28.06
		2004-05	Supreme Court	3.77
		2005-06, 2006-2007	Commissioner of State Excise	16.44
		2015-16	Commissioner of Central Excise (Appeals)	15.21
Customs Act, 1962	Customs Duty	2013-14	CESTAT	2.54
Income Tax Act, 1961	Income Tax	2012-13	Commissioner of Income Tax (Appeals) Mumbai	0.23

Annexure VII
Notes to Restated Consolidated Financial information

1. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Million)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2020	During the period	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Free Hold Land	2,404.23	-	-	2,404.23	-	-	-	-	2,404.23	2,404.23
Building	615.07	25.32	-	640.39	89.82	24.94	-	114.76	525.63	525.24
Plant and Equipments	6,113.68	170.14	(7.73)	6,276.09	1,760.25	430.42	(4.39)	2,186.28	4,089.81	4,353.43
Furniture and Fixtures	28.40	0.60	0.10	29.11	8.33	3.01	0.10	11.44	17.66	20.07
Vehicles	43.62	0.09	(1.14)	42.56	22.97	4.12	(0.98)	26.11	16.45	20.65
Office Equipments	22.88	0.32	-	23.20	11.35	2.41	-	13.77	9.43	11.53
Computer Hardwares	17.47	5.56	-	23.03	10.45	3.99	-	14.45	8.57	7.01
Total	9,245.35	202.03	(8.77)	9,438.61	1,903.18	468.90	(5.27)	2,366.81	7,071.79	7,342.17
Capital Work in Progress	166.87	158.57	(238.91)	86.53	-	-	-	-	86.53	166.87
Total	9,412.22	360.60	(247.68)	9,525.14	1,903.18	468.90	(5.27)	2,366.81	7,158.32	7,509.04
Right - of- Use	6.48	1.42	-	7.90	1.98	1.55	-	3.53	4.37	4.50
Total	6.48	1.42	-	7.90	1.98	1.55	-	3.53	4.37	4.50

(Amount in INR Million)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2019	During the period	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Free Hold Land	2,415.79	-	(11.56)	2,404.23	-	-	-	-	2,404.23	2,415.79
Building	517.18	98.41	(0.53)	615.07	67.91	21.91	-	89.82	525.24	449.27
Plant and Equipments	5,363.11	750.98	(0.41)	6,113.68	1,349.07	411.18	-	1,760.25	4,353.43	4,014.04
Furniture and Fixtures	21.78	6.08	0.54	28.40	4.96	2.85	0.52	8.33	20.07	16.83
Vehicles	43.64	-	(0.02)	43.62	17.95	5.02	-	22.97	20.65	25.69
Office Equipments	21.13	1.75	-	22.88	8.39	2.96	-	11.35	11.53	12.74
Computer Hardwares	15.22	2.26	(0.01)	17.47	7.09	3.37	-	10.45	7.01	8.13
Total	8,397.85	859.49	(11.99)	9,245.35	1,455.37	447.28	0.52	1,903.18	7,342.17	6,942.48
Capital Work in Progress	673.99	352.10	(859.22)	166.87	-	-	-	-	166.87	673.99
Total	9,071.84	1,211.59	(871.21)	9,412.22	1,455.37	447.28	0.52	1,903.18	7,509.04	7,616.47
Right - of- Use	5.25	1.23	-	6.48	0.63	1.34	-	1.98	4.50	4.61
Total	5.25	1.23	-	6.48	0.63	1.34	-	1.98	4.50	4.61

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Free Hold Land	2,433.48	-	(17.70)	2,415.79	-	-	-	-	2,415.79	2,433.48
Building	521.61	-	(4.43)	517.18	45.42	22.80	(0.31)	67.91	449.27	476.19
Plant and Equipments	5,389.96	38.13	(64.98)	5,363.11	906.43	460.77	(18.13)	1,349.07	4,014.04	4,483.65
Furniture and Fixtures	17.38	4.40	-	21.78	2.73	2.23	-	4.96	16.83	14.65
Vehicles	37.61	6.03	-	43.64	11.89	6.06	-	17.95	25.69	25.72
Office Equipments	18.95	2.19	-	21.13	4.83	3.57	-	8.39	12.74	14.12
Computer Hardwares	9.03	6.21	(0.02)	15.22	4.55	2.54	(0.00)	7.09	8.14	4.48
Total	8,428.02	56.95	(87.12)	8,397.85	975.84	497.97	(18.44)	1,455.37	6,942.50	7,452.31
Capital Work in Progress	61.23	633.26	(20.50)	673.99	-	-	-	-	673.99	61.23
Total	8,489.25	690.21	(107.62)	9,071.84	975.84	497.97	(18.44)	1,455.37	7,616.48	7,513.54
Right - of- Use	1.08	4.17	-	5.25	-	0.63	-	0.63	4.61	-
Total	1.08	4.17	-	5.25	-	0.63	-	0.63	4.61	-

Notes:

i. Borrowing Cost Capitalised

The amount of borrowing cost capitalised during the years ended March 31, 2021, March 31, 2020 and March 31, 2019 was INR Nil, INR 17.93 million and INR Nil, respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was 10%, which is the effective interest rate of the specific borrowing.

ii. Contractual Obligations

Refer to Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iii. Revaluation of Property, Plant and Equipment

The company has elected to measure certain items of property, plant and equipment viz. Land at fair value as on 1st April 2017. Hence at the date of transition to Ind AS, an increase of INR 2,372.72 million was recognised in property, plant and equipment and a Revaluation Reserve of INR 2,372.72 million had been created towards this and transferred to Retained Earnings. However, the Company has earmarked the Revaluation Reserve separately and it is not available for distribution of dividends. The Valuation was carried out by registered approved valuer.

2. INTANGIBLE ASSETS

(Amount in INR Million)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2020	During the period	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Patents	3.08	-	-	3.08	0.71	0.60	-	1.31	1.77	2.37
Others	1.29	-	-	1.29	0.77	0.26	-	1.03	0.26	0.52
Total	4.37	-	-	4.37	1.49	0.86	-	2.34	2.03	2.89

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2019	During the period	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Patents	3.03	0.05	-	3.08	0.11	0.60	-	0.71	2.37	2.92
Others	1.29	-	-	1.29	0.52	0.26	-	0.77	0.52	0.77
Total	4.32	0.05	-	4.37	0.62	0.86	-	1.49	2.89	3.70

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Patents	0.08	2.95	-	3.03	0.04	0.07	-	0.11	2.92	0.04
Others	1.29	-	-	1.29	0.26	0.26	-	0.52	0.77	1.03
Total	1.37	2.95	-	4.32	0.30	0.33	-	0.62	3.70	1.08

3. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Investments in Associates			
Quoted			
25,000 Equity shares of INR 10/- each of Pentokey Organy (India) Limited (March 31, 2020: 25,000)	0.45	0.45	0.45
Unquoted			
210 Equity shares of INR 10/- each of The Book Centre Limited (March 31, 2020: 210)	0.02	0.02	0.02
	0.47	0.47	0.47

3A. FINANCIAL ASSETS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(A) INVESTMENTS			
Non Current			
(1) Investments carried at fair value through Other Comprehensive Income			
Investments carried at fair value through Profit and Loss			
Unquoted			
Investments in Preference Shares			
3,57,604 Nonassessable shares of \$0.001 par value of e2e Material INC, USA in Series B preferred Stock (March 31, 2020: 3,57,604); (March 31, 2019: 3,57,604)	13.46	13.46	13.46
Less: Loss allowance	(13.46)	(13.46)	(13.46)
Total	0.00	0.00	0.00
Aggregate amount of quoted investments	0.45	0.45	4.50
Market value of quoted investments	0.27	1.68	3.28
Aggregate amount of unquoted investments	13.46	13.46	13.46
Aggregate amount of impairment in the value of investments	(13.46)	(13.46)	(13.46)
Investments carried at fair value through profit and loss	0.00	0.00	0.00
(B) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Security and other deposits	35.16	39.93	37.47
Interest Accrued but not due	2.09	1.46	-
Total	37.25	41.39	37.47
Current			
Financial assets			
Security Deposits	1.36	1.36	1.99
Interest Accrued but not due	6.25	7.31	9.29
Claim receivables*	320.12	625.11	410.50
Total	327.73	633.78	421.78

*It includes derivatives not designated as hedge - Foreign Exchange forward contracts

4. INVENTORIES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(Valued at lower of Cost and Net Realisable value)			
Raw materials			
In stock	887.24	873.71	858.54
Work-in-progress	18.67	9.86	4.63
Finished goods			
In stock	3,115.69	2,738.31	4,539.41
In transit	-	3.46	23.01
Traded Goods	11.39	15.16	22.04
Stores, consumables and packing material	203.57	187.85	245.68
Total	4,236.56	3,828.35	5,693.31

INR Nil, INR 1 million and INR 2 million was recognised as an expense for inventories (Stores, consumables and packing material) carried at net realisable value during the years ended 31st March 2021, 31st March 2020 and 31st March 2019, respectively.

5. TRADE RECEIVABLES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Trade Receivables from customers	17.08	12.31	34.34
Receivables from directors and other officers	-	-	-
Receivables from other related parties	-	-	-
	17.08	12.31	34.34
Breakup of Security details			
Unsecured, considered good	17.08	12.31	34.34
Significant increase in credit risk	-	-	-
Credit impaired	-	-	-
Total	17.08	12.31	34.34
Current			
Trade Receivables from customers	1,691.55	1,253.06	1,433.19
Receivables from other related parties	-	3.98	2.46
	1,691.55	1,257.04	1,435.65
Breakup of Security details			
Unsecured, considered good	1,691.55	1,257.04	1,435.65
Significant increase in credit risk	31.44	19.96	14.97
	1,722.98	1,277.01	1,450.62
Impairment Allowance (allowance for bad and doubtful debts)			
Significant increase in credit risk	31.44	19.96	14.97
	31.44	19.96	14.97
	1,691.55	1,257.04	1,435.65

Trade or other receivables due by directors or other officers of the company or any of them, either severally or jointly, with any other person or Trade or Other Receivable due by firms or private companies respectively in which any director is a partner, a director or a member amounted to INR Nil, INR 3.98 million and INR 2.46 million as at 31st March 2021, 31st March 2020 and 31st March 2019, respectively.

6. CASH AND CASH EQUIVALENTS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Balances with banks:			
- On current accounts	67.91	48.80	48.09
- Deposits with original maturity of less than three months	10.09	5.21	3.47
Cash on hand	0.97	3.72	0.94
Total	78.97	57.73	52.49

7. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Deposits with banks to the extent held as margin money	358.83	302.34	266.29
Other Deposits with banks	58.84	80.49	79.55
Total	417.67	382.82	345.83

8. OTHER ASSETS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Capital Advances	0.64	10.28	18.25
Stores and spares (Capital Goods) (Reassigning to the upcoming new project)	25.17	-	-
Advances other than Capital advances			
- Security Deposits	0.71	0.80	0.82
- Advances to Suppliers	225.47	243.44	188.18
- Advances to Related Parties	-	-	-
- Other Advances	-	-	-
Advances to Directors or other Officers of the Company	-	-	-
Less : Provision against Advances	(207.31)	(129.32)	(166.62)
	18.14	114.12	21.56
Others			
- Prepaid expenses	105.51	-	-
- Payment of Taxes (Net of Provisions)	2.60	27.58	22.95
- Balances with Statutory, Government Authorities	17.62	20.61	47.26
Total	170.39	173.39	110.84
Current			
Advances other than Capital advances			
- Security Deposits	0.00	0.09	0.09
- Advances to suppliers	216.46	231.09	402.51
- Advances to Related Parties	-	-	-
- Other Advances	-	-	0.27
Advances to Directors or other Officers of the Company	-	-	-
Others			
- Prepaid expenses	29.24	31.21	21.75
- Balances with Statutory, Government Authorities*	0.15	0.14	53.62
- Export Incentive - Sugar cane	28.73	21.98	33.79
Total	274.58	284.51	512.03

*Includes Cenvat and VAT Credit receivables

9. INCOME TAX

Deferred Tax

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Deferred tax relates to the following:			
Provision for employee benefits	-	0.00	(0.00)
Impairment on financial assets at amortised cost	3.58	1.56	0.94
Temporary difference in the carrying amount of financial instruments at amortised cost	(1.17)	-	-
Temporary difference in the carrying amount of property, plant and Equipment	(814.05)	(829.05)	(837.23)
Unabsorbed Depreciation and Business Losses	803.72	984.11	992.89
Leases (Ind AS 116)	0.01	0.01	0.08
Others	-	-	(8.19)
Net Deferred Tax Assets / (Liabilities)	(7.90)	156.64	148.48

Movement in deferred tax liabilities/assets

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Opening balance as of April 1	156.64	148.48	153.86
Tax income/(expense) during the period recognised in profit or loss	(166.67)	8.75	(6.95)
Tax income/(expense) during the period recognised in OCI	2.13	(0.60)	1.54
Tax income/(expense) during the period recognised in retained earning	-	-	0.03
Closing balance as at March 31	(7.90)	156.64	148.48

Major Components of income tax expense for the years ended March 31, 2021, March 31, 2020 and 31st March, 2019 are as follows:

i. Income tax recognised in profit or loss

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Current income tax charge	3.34	1.04	1.39
Adjustment in respect of current income tax of previous year	21.68	-	-
Deferred tax			
Relating to origination and reversal of temporary differences	166.67	(8.75)	6.95
Income tax expense recognised in profit or loss	191.69	(7.72)	8.34

ii. Income tax recognised in OCI

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Net loss/(gain) on remeasurements of defined benefit plans	2.13	(0.60)	1.54
Income tax expense recognised in OCI	2.13	(0.60)	1.54

iii. Amounts recognised directly in equity

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
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Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity

Deferred Tax: - Ind AS 116 transition impact	-	-	0.03
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10. SHARE CAPITAL

i. Authorised Share Capital

(Amount in INR Million)(Except number of shares which are in absolute numbers)

	Equity Share		Preference Share	
	Number	Amount	Number	Amount
At March 31, 2018	42,000,000	420.00	1,800,000	180.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	42,000,000	420.00	1,800,000	180.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2020	42,000,000	420.00	1,800,000	180.00
Increase/(decrease) during the year	40,000,000	400.00	-	-
At March 31, 2021	82,000,000	820.00	1,800,000	180.00

Terms/rights attached to equity shares

The Company has one class of Equity shares having a par value of INR 10/- each. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders, if any. The Equity shareholders are also subject to restrictions as prescribed under the Companies Act, 2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders.

ii. Issued Capital

(Amount in INR Million)(Except number of shares which are in absolute numbers)

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At March 31, 2018	37,637,633	376.38
Issued during the period	738,275	7.38
At March 31, 2019	38,375,908	383.76
Issued during the period	3,567,115	35.67
At March 31, 2020	41,943,023	419.43
Issued during the period	-	-
At March 31, 2021	41,943,023	419.43

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid						
Somaiya Agencies Private Limited	9,354,668	22.30	9,354,668	22.30	8,549,965	22.28
Sakarwadi Trading Company Private Limited	6,015,790	14.34	6,015,790	14.34	5,485,552	14.29
Lakshmiwadi Mines and Minerals Private Limited	5,720,717	13.64	5,720,717	13.64	5,230,762	13.63
Mandala Capital AG Limited	4,926,983	11.75	4,926,983	11.75	4,926,983	12.84
Samir Shantilal Somaiya	6,021,211	14.36	6,021,211	14.36	4,576,865	11.93
Sindhur Construction Private Limited	2,933,461	6.99	2,933,461	6.99	2,681,120	6.99

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

11. OTHER EQUITY

i. Reserves and Surplus

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Securities Premium Reserve	2,626.09	2,626.09	2,019.68
General Reserve	186.54	186.54	186.54
Retained Earnings	1,243.13	976.28	934.34
Capital Redemption Reserve	57.35	57.35	57.35
	4,113.11	3,846.26	3,197.91

(a) Securities Premium Reserve

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	2,626.09	2,019.68	1,860.96
Add/(Less):			
Premium on share issue (Net)	-	606.41	158.73
Closing balance	2,626.09	2,626.09	2,019.69

(b) General Reserve

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	186.54	186.54	186.54
Add/(Less): changes during the year	-	-	-
Closing balance	186.54	186.54	186.54

(c) Retained Earnings *

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	976.28	934.34	882.47
Restated Net Profit/(Loss) for the period	271.55	40.63	55.33
Ind AS 116 - Transition Impact	-	-	-
Income tax effect	-	-	-
Items of Restated Other Comprehensive Income directly recognised in Retained Earnings			
Remeasurement of gains (losses) on defined benefit plans	(6.84)	1.92	(4.94)
Income tax effect	2.13	(0.60)	1.54
Closing balance before restatement adjustments	1,243.13	976.28	934.41
Restatement adjustments:			
Ind AS 116 - Transition Impact	-	-	(0.11)
Income tax effect	-	-	0.03
Closing balance	1,243.13	976.28	934.34

* Retained earnings includes Revaluation Reserve of INR 2,347.00 million, INR 2,347.00 million and INR 2,357.35 million for the years ended 31st March 2021, 31st March 2020 and 31st March 2019 and it is not available for distribution of dividends. The Revaluation Reserve was created net of tax at the date of transition to Ind AS, i.e. 1st April 2017 for revaluation of Land at fair value.

ii. Components of Other Comprehensive Income

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Exchange differences on translating the financial statements of a foreign operation	6.69	5.63	6.68
	6.69	5.63	6.68

12. BORROWINGS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current Borrowings			
Secured			
(a) Debentures (Bonds)			
Principal outstanding	-	-	650.00
Interest accrued	-	-	153.36
(a) Term Loans			
From Banks	3,362.97	902.60	33.06
From Others			
Sugar Development Fund	141.61	205.90	292.08
Others	0.33	1.27	10.42
Unsecured			
(b) Term Loans from Others			
Council of Scientific and Industrial Research	48.50	48.50	48.50
Deferred Cane Purchase Tax	85.64	77.59	77.58
(c) Public deposits	274.32	202.77	233.34
(A)	3,913.38	1,438.63	1,498.34
Current Maturity of Non Current Borrowings			
Term Loans			
From Banks	509.08	126.71	33.50
From Others			
Sugar Development Fund	79.08	79.08	106.84
Others	0.33	1.01	6.74
(B)	588.49	206.80	147.08
Total (A)-(B)	3,324.89	1,231.83	1,351.26
Current Borrowings			
Secured			
(a) Loans repayable on demand From Banks	1,385.67	1,910.40	3,063.58
Unsecured			
(a) Loans repayable on demand from Banks	-	2,376.08	3,293.20
(b) Public deposits	123.96	160.50	77.56
(c) Others	178.40	-	-
Total	1,688.03	4,446.98	6,434.34

Non Current Borrowings

(Amount in INR Million)

Details of Terms of repayment for Long Term Secured Borrowings

Sr. No.	Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
		Current	Non - Current	Current	Non - Current	Current	Non - Current
1	Bank of India (Repayable in 2 equal Monthly installments, last Installment falling due on May 2019.)	-	-	-	-	33.50	-
2	Sugar Development Fund (Repayable in 5 equal yearly installments, last Installment falling due on March 2023.)	79.08	79.08	79.08	158.16	79.08	237.24
3	Cogen Development Fund (Repayable in 1 equal half yearly installments, last Installment falling due on June 2019.)	-	-	-	-	27.76	-
4	Hire Purchase Finance	0.33	-	1.01	0.25	1.85	1.27
5	IDBI Trusteeship Services Limited (For Debentures/ Bonds) (Bullet payment on June 2021) Call Option after three years (June 2018)	-	-	-	-	-	803.36
6	Bank of India - Soft Loan (Repayable IN 60 Equal Monthly instalments, last instalment falling due on Aug 2025)	130.30	445.19	76.01	575.49	-	-
7	Union Bank of India (Repayable IN 20 Quarterly instalments, last instalment falling due on Sept 2025)	94.76	331.57	47.38	300.82	-	-
8	Sustainable Agro Commercial Finance Limited (Repayable in 1 Annual Installments)	-	-	3.32	-	4.89	2.41
9	Union Bank of India (Repayable IN 20 Quarterly instalments , last instalment falling due on Aug 2025)	180.00	630.00	-	-	-	-
10	SVC Co-operative Bank Ltd (Repayable IN 32 Quarterly instalments , last instalment falling due on Mar 2029)	12.50	487.50	-	-	-	-
11	IndusInd Bank (Repayable IN 28 Quarterly instalments , last instalment falling due on Apr 2027)	91.52	959.64	-	-	-	-
	Total	588.49	2,932.99	206.80	1,034.73	147.08	1,044.28

Nature of Securities:

Loan covered under Sr.No. 1, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Subservient First Ranking Charge on Property, Plant and Equipment of Sakarwadi, Maharashtra and First Pari Passu Charge and Corporate Guarantee on certain Assets of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd). Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka #.

Loan covered under Sr. No. 2 &3, All Immoveable & Moveable Properties at Sameerwadi Factory , Karnataka on First Pari Passu Charge basis #.

Note: Charges on Property, Plant and Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above, i.e. 1,2 & 3 are excluding exclusive Property, Plant and Equipment, charged to IDBI Trusteeship Services Ltd.

Loan covered under Sr.No.4, Exclusive Charge on Assets purchased under Hire purchase arrangements.

Loan covered under Sr.No. 6 & 7, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, and First Pari Passu Charge and Corporate Guarantee on certain Assets of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd)- exclusively shared respectively with Union Bank for Project loan and Bank of India for Soft loan. Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka (for BOI). Second Pari Passu charge on Current Asset of Distillery Division at Sameerwadi, Karnataka (for UBI)

Loan covered under Sr. No. 8, Secured by Corporate Guarantee of Godavari Biorefineries Limited.

Loan covered under Sr. No. 9, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, and First Pari Passu Charge and Corporate Guarantee on certain Asset of Filmedia Communication Systems Pvt Ltd. Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka.

Loan covered under Sr.No. 10, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka. Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka

Loan covered under Sr.No. 11, First Pari Passu Charge on Property-Land& Building only at Sakarwadi, Maharashtra and First Pari Passu charge on certain research center at Mahape, Maharashtra. First charge on Power receivables at Sameerwadi, Karnataka, Corporate Guarantee on certain asset of Somaiya Properties & Investment Pvt Ltd

The Company has not made any default in repayment of principal and interest as stipulated.

The Company has avail interest free purchase tax loan from Government of Karnataka, however the repayment schedule still to be informed. In view of this same has been classified under NonCurrent Liability.

Interest for above loans varies from 4% to 11.50% for the year ended 31st March 2021, 4% to 13.20% for the year ended 31st March 2020 and 4% to 14.25% for the year ended 31st March, 2019

Current Borrowings

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Secured			
(a) From Banks			
Cash Credit / Packing Credit*	1,385.67	1,910.40	3,063.58
Unsecured			
(b) Loans repayable on demand from Banks	-	2,376.08	3,293.20
(c) Public deposits	123.96	160.50	-
(d) Others	178.40	-	-

Nature of Securities:

* Secured by First Pari Passu charge over current assets of the company (respective division), both present and future and second Pari Passu charge on Property, Plant & Equipment; and Second charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd) as a Corporate Guarantee of SPIPL. #

Note: Second Charges on Property, Plant and Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra are excluding exclusive Property, Plant and Equipment, charged to IDBI Trusteeship Services Ltd.

Interest for above Cash credit Rupee loans varies from 10.00% to 11.10% for the year ended 31st March 2021, 12.15% to 12.95% for the year ended 31st March 2020 and 12.20% to 13.30% for Interest for above Public deposit varies from 10.00% to 11.00% (Previous Year 10.00% to 11.00%)

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

(Amount in INR Million)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at March 31, 2018	1,091.30	8,621.16	9,801.94
Cash Inflows	2.14	4,921.86	4,923.99
Cash Outflows	(493.77)	(6,032.05)	(6,525.82)
	599.66	7,510.96	8,200.11
Interest Expense	-	-	898.99
Interest Paid	-	-	(967.32)
Other non cash adjustments on account of IND AS	38.18	-	38.18
Net Debt as at March 31, 2019	637.85	7,510.96	8,169.96
Cash Inflows		3,077.24	3,077.24
Cash Outflows	999.70	(6,027.14)	(5,027.44)
	1,637.55	4,561.06	6,219.77
Interest Expense	-	-	687.35
Interest Paid	-	-	(798.54)
Other non cash adjustments on account of IND AS	(79.31)	-	(79.31)
Net Debt as at March 31, 2020	1,558.23	4,561.06	6,029.26
Cash Inflows	102.31	4,941.15	5,043.46
Cash Outflows	2,317.94	(7,813.16)	(5,495.22)
	3,978.48	1,689.05	5,577.50
Interest Expense	-	-	723.76
Interest Paid	-	-	(782.20)
Other non cash adjustments on account of IND AS	123.27	-	123.27
Net Debt as at March 31, 2021	4,101.75	1,689.05	5,642.32

13. LEASE LIABILITIES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Lease Liabilities	3.03	2.93	3.15
	3.03	2.93	3.15
Current			
Lease Liabilities	1.83	1.98	1.72
	1.83	1.98	1.72

14. OTHER FINANCIAL LIABILITIES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Financial Liabilities at amortised cost			
Other Payables	0.72	0.72	0.72
Total	0.72	0.72	0.72
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	588.49	206.80	147.08
Interest accrued but not due on borrowings	67.64	126.09	237.28
Security Deposits	6.80	6.34	22.82
Others			
Other Payables	221.00	171.72	157.67
Total	883.93	510.95	564.85

15. TRADE PAYABLES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non-Current			
Trade Payables to Micro, Small and Medium Enterprises	-	-	-
Trade Payables to Others	-	-	-
Current			
Trade Payables to Micro, Small and Medium Enterprises	48.66	23.13	18.62
Trade Payables to Related Parties	-	4.55	6.23
Trade Payables to Others	3,763.83	3,577.89	4,265.66
Total	3,812.49	3,605.57	4,290.52

16. OTHER LIABILITIES

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Government Grants			
- Deferred Cane Purchase Tax	9.23	16.02	11.33
- Sugar Development Fund	6.16	16.55	31.83
- BOI Soft loan	0.00	69.08	-
- Depreciable assets	10.79	12.35	14.64
Total	26.18	114.00	57.80
Current			
Advance received from Customers	35.45	20.48	9.28
Other	-	-	0.15
Government Grants			
- Deferred Cane Purchase Tax	6.60	7.86	12.56
- Sugar Development Fund	10.38	14.79	20.17
- BOI SEFASU	-	-	0.44
- BOI Soft loan	0.00	31.35	-
- Depreciable assets	1.95	2.33	2.33
Statutory Liabilities	20.17	23.20	18.14
Total	74.55	100.01	63.07

17. PROVISIONS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Non Current			
Provision for employee benefits			
Leave encashment	16.94	15.46	14.30
Total	16.94	15.46	14.30
Current			
Provision for employee benefits			
Gratuity	7.97	13.46	18.63
Leave encashment	29.30	29.65	27.38
Total	37.27	43.11	46.01

18. CURRENT TAX LIABILITY (NET)

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	-	-	-
Add: Current tax payable for the year	-	-	1.38
Less: Taxes paid	-	-	-
Closing Balance	-	-	1.38

19. GOVERNMENT GRANTS

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	170.33	93.30	133.82
Grants received during the year	(102.37)	98.14	-
Released to statement of profit and loss	(22.84)	(21.11)	(40.52)
Closing Balance	45.11	170.33	93.30

20. REVENUE FROM OPERATIONS

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Sale of products	15,381.73	14,591.49	15,454.72
Other Operating Revenues			
Sugar Washout Charges	-	-	67.57
	15,381.73	14,591.49	15,522.29

21. OTHER INCOME

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Interest income on			
Bank fixed deposit and others	19.10	25.45	26.03
Others	13.66	12.75	10.77
Other Non Operating Income			
Fair value gain on financial instruments at fair value through profit and loss	3.73	-	32.18
Net gain on disposal of property, plant and equipment	11.81	38.65	34.46
Government Grants	1.95	2.29	2.33
Foreign Exchange Fluctuation Gain	-	0.06	0.19
Sundry balances written back	-	39.00	9.80
Miscellaneous Income	31.87	18.27	25.22
	82.11	136.47	140.98

22. COST OF MATERIALS CONSUMED

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Cost of Material Consumed *	10,834.25	8,800.49	10,507.87
	10,834.25	8,800.49	10,507.87

*The Cost of Raw material consumed for the year ended 31st March 2021 includes cane price of INR 191.73 million for FY 2018-2019 agreed and accounted in the year ended 31st March 2021. The Cost of Raw material consumed for the year ended 31st March 2019 includes cane price of INR 367.42 million for FY 16-17 and INR 351.76 million for FY 17-18 agreed and accounted in the year ended 31st March 2019. The cost so incurred has not been considered for valuation of the sugar inventory.

23. PURCHASES OF STOCK-IN-TRADE

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Purchase of Stock-In-Trade	115.05	96.27	126.97
	115.05	96.27	126.97

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Inventories as at the beginning of the year			
Work - in - process	9.86	4.63	6.41
Finished goods	2,741.77	4,562.42	5,166.34
Stock-in-trade	13.54	19.68	16.70
Total	2,765.16	4,586.74	5,189.45
Less : Inventories as at the end of the year			
Work - in - process	18.67	9.86	4.63
Finished goods	3,115.69	2,741.77	4,562.42
Stock-in-trade	7.74	13.54	19.68
Total	3,142.10	2,765.16	4,586.73
Net decrease / (increase) in inventories	(376.94)	1,821.58	602.71

25. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, wages and bonus	707.33	701.50	678.65
Contribution to provident and other funds	51.89	52.86	56.97
Director's Remuneration	60.28	51.48	49.65
Staff welfare expenses	35.40	36.98	28.70
	854.91	842.82	813.97

26. FINANCE COST

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Interest Expense on:			
Term Loan	254.57	81.17	148.79
Cash Credit	143.45	222.05	268.88
Others	325.74	384.12	481.32
	723.76	687.35	898.99

27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on tangible assets and Right of Use assets	470.44	448.63	498.61
Amortisation on intangible assets	0.85	0.86	0.33
	471.30	449.49	498.93

28. OTHER EXPENSES

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Manufacturing Expenses			
Labour charges	1.32	1.46	1.40
Power and Fuel	837.85	787.54	826.38
Repairs and maintenance			
Building	9.36	7.20	11.44
Plant and Machinery	273.62	249.33	226.27
Others	31.82	39.28	55.70
Stores, consumables and packing material	449.25	369.75	471.87
Godown Rent	0.01	1.44	2.85
Other Charges	0.06	0.08	0.92
Total Manufacturing Expenses (A)	1,603.28	1,456.09	1,596.83
Selling and Distribution Expenses			

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Selling Expense (B)	377.92	201.66	186.17
Administration and Other Expenses			
Payments to auditors (Refer note below)	3.89	3.86	4.42
Insurance	39.80	27.13	15.27
Legal and Professional fees	53.19	53.79	50.88
Contribution to Scientific Research Institution	11.50	7.60	10.00
Rates and taxes	26.07	30.36	39.80
Travelling & conveyance expenses	0.44	2.93	3.28
Foreign exchange fluctuation loss	0.79	-	-
Director Fees	2.97	1.82	1.14
Membership and subscriptions	0.90	0.74	-
Provision on Receivables	11.47	5.00	3.00
Provision for Doubtful debt	77.99	-	-
Fair value loss on financial instrument at Fair value through profit and loss	-	26.25	-
Impairment loss on PPE	-	0.94	-
CSR Expenses (Refer Note below)	0.59	0.47	1.88
General Expenses (Including travelling, telephone, etc.)	167.47	178.42	237.43
Total Administration and Other Expenses (C)	397.06	339.30	367.17
Total (A+B+C)	2,378.27	1,997.05	2,150.16

Details of Payments to auditors

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
As auditor			
Audit Fee	2.96	3.04	3.62
Tax Audit Fee	0.91	0.80	0.80
Other services	0.01	0.02	-
	3.89	3.86	4.42

Details of CSR Expenses

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
(a) Gross amount required to be spent by the company during the year	-	-	-
(b) The revenue expenditure charged to the statement of profit or Loss by the company during the Year	-	-	-
(I) Amount spent by company during the year in cash	0.59	0.47	1.88
(i) Construction / acquisition of any asset	-	-	-
(ii) on purpose other than (i) above	0.59	0.47	1.88
(II) Amount Yet to be paid by company			
(i) Construction / acquisition of any asset	-	-	-
(ii) on purpose other than (i) above	-	-	-
(III = I + II) Total			
(i) Construction / acquisition of any asset	-	-	-
(ii) on purpose other than (i) above	0.59	0.47	1.88

29. RESEARCH AND DEVELOPMENT COSTS

The Group during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under the statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2021, March 31, 2020 and March 31, 2019 is INR 1,04.68 million, INR 99.96 million and INR 122.94 million, respectively, details of which are as follows:

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
i. On Revenue Account:			
Manufacturing Expenses			
Stores, Spares & Tools consumed	5.16	6.83	9.04
Payments to and provision for employees			
Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	45.38	52.03	47.87
Other Expenses			
Legal & Professional charges	16.12	12.03	11.68
Other Expenses	38.02	29.06	54.35
Total	104.68	99.96	122.94
ii. On Capital Account	4.81	17.29	3.21
iii. On Capital Work in Progress (Anti Cancer Molecules)			
(Upto March, 21 INR 71.56 million)	40.40	31.15	5.50
Total Research and Development Expenditure (i + ii + iii)	149.89	148.40	131.65

30. EARNINGS PER SHARE

(Amount in INR Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
(a) Basic earnings per share (INR)	6.47	1.00	1.46
(b) Diluted earnings per share (INR)	6.47	1.00	1.46
(c) Reconciliations of earnings used in calculating earnings per share			
<i>Basic earnings per share</i>			
Profit attributable to the equity holders of the group used in calculating basic earnings per Share	271.55	40.63	55.33
<i>Diluted earnings per share</i>			
Profit attributable to the equity holders of the group used in calculating basic earnings per Share	271.55	40.63	55.33
Profit attributable to the equity holders of the group used in calculating diluted earnings per share	271.55	40.63	55.33
(d) Weighted average number of shares used as the denominator			
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	41,943,023	40,686,774	37,996,236
Weighted average number of equity shares used as the denominator in calculating			
Diluted earnings per share	41,943,023	40,686,774	37,996,236

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

31. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Million)

Particulars	Year ended 31st March 2021			Year ended 31st March 2020			Year ended 31st March 2019		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
Leave Encashment	29.30	16.94	46.24	29.65	15.46	45.12	27.38	14.30	41.68
Gratuity	7.97	-	7.97	13.46	-	13.46	18.63	-	18.63
Total Employee Benefit Obligation	37.27	16.94	54.20	43.11	15.46	58.58	46.01	14.30	60.31

(i) Leave Encashment

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of INR 29.30 million, INR 29.65 million and INR 27.38 million as on 31st March 2021, 31st March 2020 and 31st March 2019, respectively is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Defined benefit plans - Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

(Amount in INR Million)

Particulars	Present value of obligation	Fair value of plan Assets	Net amount
As at March 31, 2018	165.76	145.76	19.99
Current service cost	12.75	-	12.75
Past Service Cost -(vested benefits)	-	-	-
Interest expense/(income)	11.99	11.22	0.77
Adjustment to Opening Fair Value of Plan Asset	-	-	-
Total amount recognised in profit or loss	24.74	11.22	13.52
<i>Remeasurements</i>	-	(0.63)	0.63
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in financial assumptions	0.85	-	0.85
Experience (gains)/losses	3.45	-	3.45
Total amount recognised in other comprehensive income	4.30	(0.63)	4.94
Employer contributions	-	19.82	(19.82)
Benefit payments	(18.80)	(18.80)	-
As at March 31, 2019	176.00	157.37	18.63
Current service cost	13.40	-	13.40
Past Service Cost -(vested benefits)	-	-	-
Interest expense/(income)	12.80	12.04	0.75
Adjustment to Opening Fair Value of Plan Asset	-	-	-
Total amount recognised in profit or loss	26.20	12.04	14.15
<i>Remeasurements</i>	-	(1.53)	1.53
Return of plan assets, excluding amount included in interest (income)	-	(1.53)	1.53
(Gain)/Loss from change in financial assumptions	(2.65)	-	(2.65)
Experience (gains)/losses	(0.80)	-	(0.80)
Total amount recognised in other comprehensive income	(3.45)	(1.53)	(1.92)
Employer contributions	-	17.41	(17.41)
Benefit payments	(15.27)	(15.27)	-
As at March 31, 2020	183.48	170.02	13.46
Current service cost	3.90	-	3.90
Past Service Cost -(vested benefits)	-	-	-
Interest expense/(income)	11.93	12.58	(0.65)
Adjustment to Opening Fair Value of Plan Asset	-	20.45	(20.45)
Total amount recognised in profit or loss	25.84	33.03	(7.19)
<i>Remeasurements</i>	-	(2.68)	2.68
Return of plan assets, excluding amount included in interest (income)	-	(2.68)	2.68
(Gain)/Loss from change in financial assumptions	6.37	-	6.37
Experience (gains)/losses	(2.22)	-	(2.22)
Total amount recognised in other comprehensive income	4.15	(2.68)	6.84
Employer contributions	-	5.14	(5.14)
Benefit payments	(16.06)	(16.06)	-
As at March 31, 2021	197.41	189.44	7.97

The net liability disclosed above relates to funded and unfunded plans are as follows:

(Amount in INR Million)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Present value of funded obligations	197.41	183.48	176.00
Fair value of plan assets	189.44	170.02	157.37
Deficit of funded plan	7.97	13.46	18.63
Unfunded plans	-	-	-
Deficit of gratuity plan	7.97	13.46	18.63

The major categories of plan assets of the fair value of the total plan assets are as follows:

(Amount in INR Million)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Other Insurance contracts (LIC of India)	189.44	170.02	157.37

The significant actuarial assumptions were as follows:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Mortality	IALM (2012-14) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest/ Discount Rate	6.32%	6.80%	7.60%
Rate of Increase in Compensation	3.00%	3.00%	4.00%
Expected average remaining service	14.49	14.39	14.16
Retirement age	60 Years	60 Years	60 Years
Employee Attrition Rate	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%

A quantitative sensitivity analysis for significant assumption as at March 31, 2021, March 31, 2020 and March 31, 2019 is shown below:

(Amount in INR Million)

Assumptions	Discount rate		Salary escalation rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
March 31, 2021				
Impact on defined benefit obligation	(13.23)	15.27	15.29	(13.44)
% Impact	-7.21%	8.32%	8.33%	-7.32%
March 31, 2020				
Impact on defined benefit obligation	(10.36)	15.49	15.45	(10.48)
% Impact	-5.65%	8.44%	8.42%	-5.71%
March 31, 2019				
Impact on defined benefit obligation	(11.39)	13.06	12.97	(11.47)
% Impact	-6.47%	7.42%	7.37%	-6.51%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Million)

	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Expected Outgo First	27.74	24.77	23.22
Expected Outgo Second	17.56	15.89	15.84
Expected Outgo Third	12.50	18.31	16.55
Expected Outgo Fourth	18.07	12.70	17.40
Expected Outgo Fifth	21.70	17.51	12.36
Expected Outgo Six to Ten years	69.22	72.86	76.72
Total expected payments	166.80	162.04	162.09

The average duration of the defined benefit plan obligation at the end of the year ending 31st March 2021, 31st March 2020 and 31st March 2019 is 7.98 years, 7.89 years and 14.16 years, respectively

(iii) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the years ended 31st March 2021, 31st March 2020 and 31st March 2019 towards defined contribution plan is INR 36.59 million, INR 38.19 million and INR 36.82 million, respectively.

32. COMMITMENTS AND CONTINGENCIES

A. Commitments

(Amount in INR Million)

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2021	March 31, 2020	March 31, 2019
Property, plant and equipment	493.38	35.52	401.68

B. Contingent Liabilities

(Amount in INR Million)

	March 31, 2021	March 31, 2020	March 31, 2019
Excise duty and Service Tax (Excluding Interest and Penalty)	79.10	79.10	79.10
Bank Guarantee	196.34	291.96	184.49
Letter of Credits	316.27	333.47	264.05
Corporate Guarantee to Karnataka Bank	76.31	-	-

I. Council of Scientific & Industrial Research (CSIR)

The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of INR 48.50 million to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology by CSIR.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR.

CSIR has demanded the financial assistance back and the Company reply was that the Arbitration Application was barred by time. Supreme Court admitting SLP stayed Order of the Delhi High Court on condition of deposit of INR 10 million and the company have deposited INR 10 million during the year. Fresh date for hearing is awaited.

II. National Green Tribunal

National Green Tribunal (NGT) has permitted, Prof C. R. Babu, Professor Emeritus, Centre for Environment Management of Degraded Ecosystems (CEMDE), University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi.

The Chairman of Central Pollution Control Board (CPCB) had reviewed the progress made in the project and has acknowledged the progress made till date. Company has applied for the extension of time.

III. Sale of Extra Neutral Alcohol (ENA) to Bottling Plant

Year ended 31st March 2021

The Company has sold ENA (Qty 13,110 KL Valued at INR 702.3 million in the year ended 31st March 2021 and Qty 9,110 KL Valued at INR 521.02 million in the period Apr 2019- March 2020) to various customers of IFL (Potable industry) without GST.

As per law, ENA is chargeable under GST. The Customers have interpreted that GST is not applicable to Indian -Made Foreign Liquor (IFL) (potable industry) and customers have volunteered and have given undertaking for reimbursement of tax plus interest whenever department of taxes may raise notices for the same. The matter was referred to GST Council by Indian Sugar Mills Association in July 2017 and thereafter followed by reminders from time to time. However in view of difference of opinion, GST Council has referred the matter to Advocate General of India for his opinion. GST Council is yet to communicate its decision on the matter as on 31st March 2021.

Year ended 31st March 2020

The Company has sold ENA (Qty 9,110 KL Valued INR 521.02 million in the year ended 31st March 2020 and Qty 31,060 KL Value INR 1421.98 million in the period July 2017- March 2019) to various customers of IFL (Potable industry) without GST.

Year ended 31st March 2019

The Company has sold ENA (Qty 11,410 KL Value 516.38 million in the year ended 31st March 2019 and Qty 19,650 KL Value INR 905.60 million in the period July 2017- March 2018) to various customer of IFL (potable industry) without GST.

IV. Customs Revenue Audit (CRA)

The Chemical Unit at Sakarwadi is under Export Oriented Unit (EOU) and the second block of Five-year Term started from July 2016 and from July 2017 post GST policy amendment, clause of 50:50 was removed & only positive NFE was introduced. In second block due to slowdown & recession in international market DTA sale was higher then allowed thereby the company could not maintain 50:50 ratio.

As per Custom Audit report the company need to pay INR 36.20 million and close for ratio of sales more in domestic market prior to GST and not to wait for five-year completion terms.

The company has submitted that the basis for determining the ratio is not correct as sales to EOU and block of five years are to be considered for additional duty, Development Commissioner office have forwarded the company reply to CRA HO Mumbai custom & response is awaited.

V. Cross Subsidy Surcharges to HESCOM

For captive use of power, there is a demand notice from Assistant Executive Engineer [Electrical] HESCOM Subdivision Mahalingpur, for INR 59.10 million towards Cross Subsidy Surcharges for imported power from IEX (Indian Energy Exchange). Writ Petition has been filed before the Honourable High Court of Karnataka. The

court has disposed of the matter on November 4, 2020 through a common Order and has suggested to approach KERC (Karnataka Electricity Regulatory Commission). The Company has filed the petition before the KERC on December 30, 2020. HESCOM has to submit the objections before KERC. Now the matter is pending with KERC. The company advocate has advised that the demand will not sustain.

1. The Company does not expect any reimbursement in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash flows except Letter of Credits, in respect of matters stated above. Letter of Credits are due within three to six months.

C. Financial Guarantees

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Guarantee/security given by the Company for loan taken by:			
Solar Magic Private Limited (Sustainable Agriculture, Food Security and Linkage)	-	3.32	7.30
Solar Magic Private Limited (Union Bank of India (earlier Corporation Bank))	48.56	46.10	50.31

33. TRANSITION TO IND AS 116

The Company's lease asset primarily consist of leases buildings for office premises having the lease terms between 1 and 10 years. Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of Right of Use assets of INR 4.61 million, and a lease liability of INR 4.86 million. The cumulative effect of applying the standard, amounting to INR 0.24 million was debited to retained earnings.

The following is the summary of practical expedients elected on initial application:

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	4.50	4.61	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	1.08
Total Right of Use on the date of transition	4.50	4.61	1.08
Add : Additions during the year	1.42	1.23	4.17
Less: Depreciation of Right of use assets	(1.55)	(1.34)	(0.63)
Closing balance	4.37	4.50	4.61

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(Amount in INR Million)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	4.90	4.86	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	1.19
Additions during the year	1.42	1.23	4.17
Add: Finance cost accrued during the year	0.51	0.52	0.23
Less: Payment of lease liabilities	(1.98)	(1.71)	(0.73)
Closing balance	4.86	4.90	4.86
Current Lease Liabilities	1.83	1.98	1.72
Non-current Lease Liabilities	3.03	2.93	3.15

The maturity analysis of lease liabilities are disclosed in Note 36

The effective interest rate for lease liabilities is 11.25-11.50 %

Rental expense recorded for short-term leases was INR 17.38 million, INR 17.32 million and INR 21.31 million for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

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.

34. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country
List of Related Parties:		
Associates	Pentokey Organy (India) Limited	India
	The Book Centre Limited	India
Enterprises over which key management personnel are able to exercise significant influence	Somaiya Properties and Investments Private Limited	India
	Somaiya Agencies Private Limited	India
	Jasmine Trading Co. Private Limited	India
	K. J. Somaiya & Sons Private Limited	India
	Lakshmiwadi Mines & Minerals Private Limited	India
	Somaiya Chemical Industries Private Limited	India
	Sakarwadi Trading Company Limited	India
	Arpit Limited	India
	Somaiya Publications Private Limited	India
	Filmedia Communication System Private Limited	India
	Zenith Commercial Agencies Pvt. Ltd.	India
	Somaiya Vidyavihar	India
	K. J. Somaiya Medical Trust	India
	K. J. Somaiya Institute of Applied Agricultural Research	India
	Samir S. Somaiya (Chairman and Managing Director)	
	Sangeeta A Srivastava (Executive Director from 1st August, 2020)	
	Vinay V.Joshi (Executive Director up to 30th September, 2020)	
	Shrinivas N. Bableshwar (Director up to 14th August 2018)	
	Bhalachandra R. Bakshi (Executive Director)	
	Mohan Somanathan (Director - Works)	
Key Management Personnel	Werner Wutscher (Non Executive Director up to 21st June, 2019)	
	Preeti Singh Rawat (Non Executive Women Director)	
	Kailash Pershad (Independent Director)	
	Jayendra Shah (Independent Director) (Upto 4th February 2021)	
	Uday Garg (Nominee Director) (Upto 27th August 2021)	
	Hemant Luthra (Independent Director w.e.f 27th Sept 2020)	
	Lakshmikantam Mannpalli (Independent Director)	
	Sanjay Puri (Independent Director From 1st August, 2020)	
	N. S. Khetan (Chief Financial Officer)	
	Swarna S. Gunware (Company Secretary)	
	Prajesh Mistry (Director)	
	R. Rangarajan (Director)	
	Coen Faber (Director)	
	Mr Arthur Sturm (Director)	
	Mr Paul Zorner (Director)	
	Mr Randorn Walker (Director)	
Relatives of Key Management Personnel	Harinakshi Somaiya	

(ii) Transactions with related parties

The following is the summary of transactions with related parties for the years ended 31 March 2021, 31 March 2020 and 31 March 2019:

(Amount in INR million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
The Book Centre Limited	Purchases	1.37	1.92	4.15
Pentokey Organy (India) Limited	Purchases	-	-	62.42
K.J. Somaiya Institute of Applied Agricultural	Purchases	2.60	2.69	2.85
Research	Contribution paid	11.50	7.60	10.00
Amrita Travel Private Limited	Purchases	-	-	8.33
Zenith Commercial Agencies Pvt. Ltd.	Purchases	-	0.38	0.81
	Purchases	-	0.37	0.44
Arpit Limited	Rent paid	0.14	0.14	0.14
	Sales	-	16.28	19.15
Somaiya Publications Private Limited	Purchases	0.14	0.14	0.54

Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Somaiya Agencies Private Limited	Purchases	0.14	0.06	0.18
Jasmine Trading Co. Private Limited	Rent paid	-	-	11.04
Somaiya Properties & Investments Private Limited	Rent paid	2.65	2.72	6.62
	Purchases	0.70	-	-
Somaiya Chemicals Industries Private Limited	Rent paid	-	-	0.24
	Royalty paid	17.04	15.82	16.42
K. J. Somaiya & Sons Private Limited	Rent paid	-	-	2.56
Filmedia Communications System Private Limited	Rent paid	14.73	14.73	-
	Service Charges paid	0.98	1.06	0.96
Somaiya Vidyavihar/ Somaiya Medical Trust	Mobile application Development / Training Expenses paid/Professional fees	0.04	0.93	2.58
	Sanitiser Sales	0.09	-	-
Somaiya Vidyavihar	Donation paid	0.88	1.57	6.69
Samir S. Somaiya	Remuneration paid	26.31	23.04	23.76
	Purchases	0.87	0.88	1.04
Vinay V. Joshi	Remuneration paid	5.12	9.15	7.88
Sangeeta A Srivastava	Remuneration paid	5.69	-	-
Shrinivas N. Bableswhar	Remuneration paid	-	0.54	1.47
Bhalchandra R. Bakshi	Remuneration paid	5.21	4.03	2.64
Mohan Somanathan	Remuneration paid	5.42	4.68	4.53
Shri N S Khetan	Remuneration paid	7.72	7.61	6.95
Swarna S Gunware	Remuneration paid	1.04	1.03	0.88
Prajesh Mistry	Remuneration paid	11.84	11.00	10.35
Coen Faber	Management fees	1.02	0.97	0.79
Harinakshi Somaiya	Purchases	0.47	0.52	0.22
	Salary paid	-	-	0.50
Shri Jayendra Shah	Director's fees paid	0.42	0.18	0.20
Maya S. Somaiya	Purchases	-	-	0.12
Hemant Luthra	Director's fees paid	0.56	0.07	-
Shri Kailash Pershad	Director's fees paid	0.56	0.42	0.30
Shri Lakshmikantam Mannpalli	Director's fees paid	0.56	0.49	0.24
Dr. Preeti Rawat	Director's fees paid	0.21	0.21	0.08
Mandala Capital Ag Limited	Director's fees paid	0.49	0.42	0.27
Shri Werner Wutscher	Director's fees paid	-	0.04	0.06
Shri Sanjay Puri	Director's fees paid	0.21	-	-

(iii) Outstanding balances arising from sales/purchases of goods and services

(Amount in INR million)

Name	March 31, 2021	March 31, 2020	March 31, 2019
Trade Receivables			
Arpit Limited	-	3.98	2.46
Trade Payables	-	-	-
The Book Centre Limited	-	-	0.28
Pentokey Organy (India) Limited	-	-	5.74
Filmedia Communications System Pvt Ltd	-	0.07	-
Arpit Limited	-	-	0.04
K.J.Somaiya & Sons Private Limited	-	4.01	0.05
Somaiya Vidyavihar	-	0.47	0.07

(iv) Other balances with related parties

(Amount in INR million)

Name	March 31, 2021	March 31, 2020	March 31, 2019
Samir S. Somaiya	(0.14)	(0.14)	(0.14)
Somaiya Chemicals Industries Pvt. Ltd.	-	3.50	3.50

(v) Key management personnel compensation

(Amount in INR million)

	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Director's sitting fees	3.01	1.82	1.14
Short term employee benefits	61.37	61.09	57.59
	64.38	62.91	58.72

(vi) Transactions eliminated in Consolidation:

The following are the details of the transactions eliminated during the years ended 31 March 2021, 31 March 2020 and 31 March 2019:

Godavari Biorefineries Limited

(Amount in INR million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Solar Magic Private Limited	Loans and Advances Given/(Recd)	(15.72)	(4.36)	(30.51)
	Interest income Received	2.80	3.38	6.51
	Purchases	3.92	1.57	0.89
Godavari Biorefineries INC.	Commission/ Reimbursement of Expenses	18.83	10.24	21.96
Godavari Biorefineries B.V.	Commission/ Reimbursement of Expenses	17.57	17.79	39.24
	Sales	154.30	132.37	44.72

Solar Magic Private Limited

(Amount in INR million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Godavari Biorefineries Limited	Loans and Advances Given/(Recd)	15.72	4.36	30.51
	Interest paid	2.80	3.38	6.51
	Sales	3.92	1.57	0.89

Godavari Biorefineries INC.

(Amount in INR million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Godavari Biorefineries Limited	Commission/ Reimbursement of Expenses	18.83	10.24	21.96

Godavari Biorefineries B.V.

(Amount in INR million)				
Name	Nature of Transaction	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019
Godavari Biorefineries Limited	Commission/ Reimbursement of Expenses	17.57	17.79	39.24
	Purchases	154.30	132.37	44.72

(vii) Outstanding Balances eliminated in Consolidation:

The following are the details of the balances eliminated during the years ended 31 March 2021, 31 March 2020 and 31 March 2019:

Godavari Biorefineries Limited

(Amount in INR million)				
Name		March 31, 2021	March 31, 2020	March 31, 2019
Investments				
Solar Magic Private Limited *		34.50	34.50	34.50
Cayuga Investments BV		100.19	100.19	100.19
(*excludes IND AS adjustments)				
Trade Receivables				
Godavari Biorefineries BV		7.43	19.20	12.38
Arpit Limited		-	3.98	2.46
Trade Payables				
Solar Magic Private Limited		-	0.01	0.05
Godavari Biorefineries INC.		3.62	10.24	5.65
Godavari Biorefineries BV		5.20	15.47	8.09

Godavari Biorefineries B.V.

(Amount in INR million)				
Name		March 31, 2021	March 31, 2020	March 31, 2019
Trade Receivables				
Godavari Biorefineries Limited		5.20	15.47	8.09
Trade Payables				
Godavari Biorefineries Limited		7.43	19.20	12.38

Godavari Biorefineries INC

(Amount in INR million)			
Name	March 31, 2021	March 31, 2020	March 31, 2019
Trade Receivables			
Godavari Biorefineries Limited	3.62	10.24	5.65

Solar Magic Private Limited

(Amount in INR million)			
Name	March 31, 2021	March 31, 2020	March 31, 2019
Trade Receivables			
Godavari Biorefineries Limited	-	0.01	0.05

(viii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has given guarantee/security to the lenders of subsidiary company amounting to INR 48.56 million, INR 49.43 million and INR 57.61 million, for the years ended 31st March 2021, 31st March 2020 and 31st March 2019, respectively. The Company has not recorded any impairment of receivables relating to amount owed by related parties for the years ended March 31, 2021, 31st March 2020 and 31st March 2019. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

35. SEGMENT REPORTING

A. For management purposes, the Group is organized into following four business units based on the risks and rates of returns of the products offered by these unit as per Ind AS 108 on 'Operating Segment':

- Sugar
- Cogeneration (Green Power)
- Bio-based Chemicals
- Distillery

No operating segments have been aggregated to form the above reportable operating segment.

The Managing Director (MD) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2021

(Amount in INR Million)							
Particulars	Sugar	Cogeneration	Chemicals	Distillery	Interunit Transfer	Unallocated	Total
Revenue							
External Revenue / Operating Revenue	4,912.39	405.18	5,376.79	4,561.62	-	125.75	15,381.73
Inter-segment	2,966.49	795.50	-	12.79	(3,774.78)	-	-
Total revenue	7,878.88	1,200.68	5,376.79	4,574.41	(3,774.78)	125.75	15,381.73
Other Non Operating Income							
Other Income	30.34	0.00	9.66	6.82	-	35.29	82.11
Total revenue	7,909.22	1,200.68	5,386.45	4,581.22	(3,774.78)	161.05	15,463.84
Segment Result							
Operating Profit Before Interest	40.78	125.23	388.53	683.97	-	(51.52)	1,186.99
Interest						723.76	723.76
Tax Expenses						191.69	191.69
Net Profit / (Loss)							271.55
Segment Asset	3,671.25	335.97	1,905.25	1,242.60	-	97.21	7,252.28
Capital assets including CWIP	2,740.72	846.66	1,729.46	1,830.62	-	17.27	7,164.74
Total Segment assets	6,411.97	1,182.63	3,634.71	3,073.22	-	114.48	14,417.02
Total Segment liabilities	7,203.29	34.61	1,886.60	745.39	-	7.91	9,877.80
Other disclosures							
Capital expenditure	17.71	0.07	38.73	143.74	-	3.19	203.45
Segment Depreciation	166.66	88.91	67.73	136.24	-	11.76	471.30
Non cash expenses other than Depreciation	-	-	-	-	-	-	-

Year ended March 31, 2020

(Amount in INR Million)

Particulars	Sugar	Cogeneration	Chemicals	Distillery	Interunit Transfer	Unallocated	Total
Revenue							
External Revenue / Operating Revenue	6,250.09	414.72	4,555.62	3,264.94	-	106.12	14,591.49
Inter-segment	2,577.46	651.53	-	4.89	(3,233.88)	-	-
Total revenue	8,827.55	1,066.25	4,555.62	3,269.83	(3,233.88)	106.12	14,591.49
Other Non Operating Income							
Other Income	53.39	1.02	39.84	0.02	-	42.20	136.47
Total revenue	8,880.94	1,067.27	4,595.46	3,269.85		148.32	14,727.96
Segment Result							
Operating Profit Before Interest	161.07	85.77	112.10	415.30	-	(53.98)	720.26
Interest						687.35	687.35
Tax Expenses						(7.72)	(7.72)
Net Profit / (Loss)							40.63
Segment Asset	3,483.41	310.95	1,739.67	1,050.46	-	243.94	6,828.43
Capital assets including CWIP	2,880.95	935.50	1,696.79	1,843.96	-	159.23	7,516.43
Total Segment assets	6,364.36	1,246.45	3,436.46	2,894.42	-	403.17	14,344.86
Total Segment liabilities	7,630.33	50.37	1,661.62	731.22	-	-	10,073.54
Other disclosures							
Capital expenditure	51.61	10.21	216.28	578.11	-	4.56	860.77
Segment Depreciation	164.91	93.56	61.21	117.57	-	12.24	449.49
Non cash expenses other than Depreciation	-	-	-	-	-	-	-

Year ended March 31, 2019

(Amount in INR Million)

Particulars	Sugar	Cogen	Chemicals	Distillery	Interunit Transfer	Unallocated	Total
Revenue							
External customers	6,378.43	335.56	6,093.32	2,607.06	-	107.92	15,522.29
Inter-segment	1,214.76	576.56	-	0.64	(1,791.96)	-	-
Total revenue	7,593.19	912.12	6,093.32	2,607.70	(1,791.96)	107.92	15,522.29
Other Non Operating Income							
Other Income	102.94	2.94	(9.81)	1.07	-	43.85	140.99
Total revenue	7,696.13	915.06	6,083.52	2,608.77	(1,791.96)	151.76	15,663.28
Segment Result							
Operating Profit Before Interest Expense	(101.32)	159.39	298.13	664.89	-	(58.43)	962.66
Interest Expense						898.99	898.99
Tax Expenses						8.34	8.34
Net Profit / (Loss)	-	-	-	-	-	-	55.34
Segment Asset	5,284.84	285.88	2,072.37	711.56	-	465.40	8,820.04
Capital assets including CWIP	3,013.44	1,023.45	1,683.16	1,762.26	-	115.11	7,597.42
Total Segment assets	8,298.28	1,309.33	3,755.52	2,473.82	-	580.51	16,417.46
Total Segment liabilities	9,608.93	78.29	2,494.92	460.46	-	186.52	12,829.12
Other disclosures							
Capital expenditure	3.65	13.82	20.86	10.05	-	11.52	59.90
Segment Depreciation	211.57	93.47	67.30	113.38	-	13.21	498.93
Non cash expenses other than Depreciation	-	-	-	-	-	-	-

Adjustments and elimination

Inter-segment revenues are eliminated upon consolidated and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

B. Information about geographical areas

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations in India and all the non current assets of the Company are located in India.

Revenue from external customers

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(Amount in INR Million)			
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
India	12,518.11	12,120.02	12,025.08
Outside India	2,863.62	2,471.47	3,497.21
	15,381.73	14,591.49	15,522.29

Revenue from Major Customers

Revenue from customers exceeding 10% of total revenue for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 is as follows:

(Amount in INR Million)						
Segment	Year ended March 31, 2021		Year ended March 31, 2020		Year ended March 31, 2019	
	Number of Customers	Revenue	Number of Customers	Revenue	Number of Customers	Revenue
Sugar	1	835.07	1	1,817.18	2	2,380.67
Cogen	5	404.74	5	414.37	5	334.17
Chemicals	1	824.98	1	661.11	1	730.03
Distillery	1	702.30	1	478.93	2	782.17
		2,767.08		3,371.59		4,227.03

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR Million)						
Particulars	Carrying Amount			Fair Value		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	1,691.55	1,257.04	1,435.65	1,691.55	1,257.04	1,435.65
Cash and Cash Equivalents	78.97	57.73	52.49	78.97	57.73	52.49
Other Bank Balances	417.67	382.82	345.83	417.67	382.82	345.83
Security Deposits	36.53	41.29	39.46	36.53	41.29	39.46
Other Financial Assets	324.71	633.89	393.55	324.71	633.89	393.55
FVTPL						
Investments in Preference Shares	0.00	0.00	0.00	0.00	0.00	0.00
Derivative financial assets - Foreign Exchange forward contract	3.74	-	26.25	3.74	-	26.25
Total	2,553.17	2,372.77	2,293.23	2,553.17	2,372.77	2,293.23

Particulars	Carrying Amount			Fair Value		
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	5,601.41	5,885.61	7,932.68	5,601.41	5,885.61	7,932.68
Lease Liabilities	4.86	4.9	4.88	4.86	4.9	4.88
Trade Payables	3,812.49	3,605.57	4,290.53	3,812.49	3,605.57	4,290.53
Other financial liabilities	296.16	304.87	418.49	296.16	304.87	418.49
Total	9,714.92	9,800.95	12,646.57	9,714.92	9,800.95	12,646.57

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement:

(Amount in INR Million)

(Amount in INR in million)												
	March 31, 2021				March 31, 2020				March 31, 2019			
	Fair value measurement using				Fair value measurement using				Fair value measurement using			
Particulars	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets												
Financial Investments at FVTPL												
Investments in Preference Shares	-	-	0.00	0.00	-	-	0.00	0.00	-	-	0.01	0.01
Derivative financial assets - Foreign Exchange forward contract	-	3.74		3.74	-	-	-	-	-	26.25	-	26.25
Total Financial Assets	-	3.74	0.00	3.74	-	-	0.00	0.00	-	26.25	0.01	26.26
Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing 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 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

(iii) Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

37. FINANCIAL RISK MANAGEMENT

The group's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

To manage the credit risk, Group periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the group for extension of credit to Customer. Group monitors the payment track record of the customers, restrict credit limited in SAP, credit rating etc. Concentrations of credit risk are limited as a result of the group's large and diverse customer base. Group has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which group has also availed borrowings.

ii. Provision for expected credit losses - Trade Receivables

The group follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Group 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.

Exposure - Trade Receivables

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31, 2021	1,565.48	126.06	1,691.55
As at March 31, 2020	1,089.63	167.41	1,257.04
As at March 31, 2019	1,365.97	104.02	1,469.99

iii. Reconciliation of loss allowance provision - Trade receivables

Particulars	(Amount in INR Million)
Loss allowance on March 31, 2018	11.97
Changes in loss allowance	3.00
Loss allowance on March 31, 2019	14.97
Changes in loss allowance	5.00
Loss allowance on March 31, 2020	19.96
Changes in loss allowance	11.47
Loss allowance on March 31, 2021	31.44

iv. Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk as on 31st March 2021, 31st March, 2020 and 31st March, 2019 is INR 861.63 million, INR 1115.73 million and INR 831.32 million, respectively. The group does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a group may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

Particulars	(Amount in INR Million)			
	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2021				
Borrowings	5,601.41	1,688.03	2,862.22	1,051.16
Lease liabilities	4.86	1.83	3.03	-
Trade payables	3,812.49	3,812.49	-	-
Other financial liabilities	296.16	295.45	0.72	-
Total non derivative liabilities	9,714.92	5,797.79	2,865.97	1,051.16
March 31, 2020				
Borrowings	5,885.61	4,446.98	1,336.96	101.67
Lease liabilities	4.90	1.98	1.90	1.03
Trade payables	3,605.57	3,605.57	-	-
Other financial liabilities	304.87	304.15	0.72	-
Total non derivative liabilities	9,800.95	8,358.68	1,339.58	102.70

Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2019				
Non-derivatives				
Borrowings	7,932.68	6,581.42	1,351.26	-
Lease liabilities	4.88	1.72	3.15	-
Trade payables	4,290.53	4,290.53	-	-
Other financial liabilities	418.49	417.77	0.72	-
Total non derivative liabilities	12,646.57	11,291.44	1,355.13	-

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

(i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Group's functional currency (INR). The Group has natural hedge of exports against import and any excess in import if any, is cover by forward contract.

(a) Foreign currency risk exposure

	(Amount in INR Million)		
	USD	EURO	Total
March 31, 2021			
Trade Receivables	271.88	45.18	317.06
Trade Payables	(730.19)	(5.25)	(735.45)
Forward contracts for receivables	-	(12.14)	(12.14)
Forward contracts for payables	425.06	-	425.06
Net exposure to foreign currency risk	(33.25)	27.80	(5.45)
March 31, 2020			
Trade Receivables	204.17	78.85	283.02
Trade Payables	(935.51)	(15.63)	(951.14)
Forward contracts for receivables	(33.68)	(50.82)	(84.50)
Forward contracts for payables	397.33	-	397.33
Net exposure to foreign currency risk	(367.69)	12.40	(355.29)
March 31, 2019			
Trade Receivables	312.53	108.71	421.24
Trade Payables	(572.29)	(8.96)	(581.25)
Forward contracts for receivables	(73.81)	(100.63)	(174.43)
Forward contracts for payables	360.67	-	360.67
Net exposure to foreign currency risk	27.11	(0.88)	26.23

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	(Amount in INR Million)					
	2020-21		2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(0.33)	0.33	(3.68)	3.68	0.27	(0.27)
EURO	0.28	(0.28)	0.12	(0.12)	(0.01)	0.01
Net Increase/(decrease) in profit or loss	(0.05)	0.05	(3.55)	3.55	0.26	(0.26)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Inventory price risk

The group is exposed to the movement in price of principal finished product i.e sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Group monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

	(Amount in INR Million)	
Rate sensitivity	Increase / Decrease in sale price (per Qtls)	Effect on Profit before tax
For year ended March 31, 2021	1	+ / (-) 0.63
For year ended March 31, 2020	1	+ / (-) 0.63
For year ended March 31, 2019	1	+ / (-) 1.31

38. CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.

Particulars	(Amount in INR Million)		
	March 31, 2021	March 31, 2020	March 31, 2019
Borrowings	5,601.41	5,885.61	7,932.68
Less: Cash and cash equivalents	(78.97)	(57.73)	(52.49)
Less: Other bank balance	(417.67)	(382.82)	(345.83)
Net Debt	5,104.76	5,445.06	7,534.36
Equity share capital	419.43	419.43	383.76
Other Equity	4,119.79	3,851.89	3,204.58
Less: Revaluation Reserve	(2,347.00)	(2,347.00)	(2,357.35)
Less: Capital Redemption Reserve	(57.35)	(57.35)	(57.35)
Total Equity	2,134.88	1,866.97	1,173.64
Total Equity and Net Debt	7,239.64	7,312.03	8,708.00
Gearing ratio	0.71	0.74	0.87

In order to achieve the objective of maximize shareholders value, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest- bearing borrowings that define capital structure requirements.

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Particulars	(Amount in INR Million)		
	March 31, 2021	March 31, 2020	March 31, 2019
Principal amount due to suppliers under MSMED Act, 2006	48.66	23.13	18.62
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

40. EXPORT AND TRANSPORT SUBSIDY CLAIMS

During the year ended 31st March 2020, Central Government vide notification No. 1(14)/2019-S.P.-I. dated 12th September 2019, notified and assistance of INR 10,448/MT on export sugar limited to Maximum Admissible Export Quantity (MAEQ) to Sugar Mills with a view to offset the costs incurred and facilitate timely payment of cane price, subject to fulfillment of following major conditions:

1. Company should have supplied at least 50% of 39,896 MT MAEQ for the first claim
2. Company has to complete export of allotted sugar quota of 39,896 MT up to 30th September 2020.

The company has achieved the following up to 31st March 2021:

Particulars:	December-20 to March-21	December-20 to April-21
Required Quota	31,847 MT	31,847 MT
Completed Qty.	15,566 MT	22,994 MT
% Completion against the required quota	48.88%	72.20%

The company has achieved the following up to 31st March 2020:

Particulars:	October-19 to March-20	October-19 to July-20
Required Quota	39,896 MT	39,896 MT
Completed Qty.	17,893 MT	37,482 MT
% Completion against the required quota	44.85%	93.95%

The company has achieved the following up to 31st March 2019:

Particulars	Ethanol	Sugar
Total Quota	3,57,10,670 Ltrs.	28,846 MT
Required Quota	2,85,68,536 Ltrs.*	28,846 MT
Completed Qty.	2,14,97,000 Ltrs.	14,034 MT
% Completion against the required quota	75.25%	48.65%

*80 % of 3,57,10,670 Litres.

The company has exported up to 31.03.20 qty 17,893/MT and capability to achieve the balance quota, the assistance of INR 186.98 million as export transportation cost subsidy has been accounted for during the year ended 31st March 2020.

The company has sufficient stock of Sugar to complete the total required balance Quota 8,853 MT and have required Orders in hand to achieve the full sugar export quota. The Company has achieved required quota 22,994 MT sugar Export quota

Company has exported up to 31.03.21 qty 15,566/MT and capability to achieve the balance quota, the assistance of INR 93.40 million as export transportation cost subsidy has been accounted for during the year ended 31st March 2021.

41. Export Oriented Unit (EOU):

The Chemical Unit at Sakarwadi is under EOU and the second Five year Term has ended on 30th June, 2021. The Company has taken extension up to January, 2022 to complete the debonding formalities from Customs & SEEPZ.

The Company's Net Foreign Exchange (NFE) was positive as on 30th June, 2020, however the NFE is negative as on 31st March, 2021 by INR 132.89 million, due to COVID-19 pandemic. For NFE being negative, the company has made provision for INR 22.78 million.

42. Provision for tax

In the current year, company has provided for short provision of disallowances towards curtailment in depreciation claim, reduction in depreciation claim due to subsidy, disallowance of expenses.

like transport expenses, disallowance of other expenses such as stamp duty, sundry debit balances w/back, etc. During the year post short provision all past provision balances have been Net off against Advance Tax and TDS Receivables in books of accounts.

43. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification

Significant Accounting Policies and Notes on Accounts form an integral part of the Restated Consolidated Financial Information.

As per our report of even date attached

For VERMA MEHTA & ASSOCIATES

Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place: Mumbai
Date: September 8, 2021

For and on behalf of the Board of Directors

Godavari Biorefineries Limited
CIN: U67120MH1956PLC009707

Samir Somaiya
Chairman & Managing
Director
DIN: 00295458

Place: Mumbai
Date: September 8,
2021

Sangeeta Srivastava
Executive Director
DIN: 00480462

Place: Mumbai
Date: September 8,
2021

N.S. Khetan
Chief Financial Officer
Membership No.
F037264

Place: Mumbai
Date: September 8,
2021

Swarna S. Gunware
Company Secretary and
Compliance Officer
Membership No. 32787

Place: Mumbai
Date: September 8,
2021

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at/for the Fiscals ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Basic Earnings / (loss) per Equity Share (in ₹)	6.47	1.00	1.46
Diluted Earnings / (loss) per Equity Share (in ₹)	6.47	1.00	1.46
Return on net worth (in %)	12.72	2.18	4.71
Net asset value per Equity Share (in ₹)	50.90	45.89	30.89
EBITDA (₹ in million)	1,658.29	1,169.75	1,461.59

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

Basic and Diluted EPS = $\frac{\text{Restated consolidated net profit after tax for the year attributable to the equity Shareholders of the Company}}{\text{Weighted average number of equity shares outstanding during the year}}$

Return on Net Worth (%) = $\frac{\text{Restated consolidated net profit after tax for the year attributable to equity shareholders of the Company}}{\text{Restated consolidated net worth as at the end of the year}}$

Net asset value per Equity Share = $\frac{\text{Restated consolidated net worth as at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

EBITDA = $\frac{\text{Restated consolidated net profit after tax for the year attributable to the equity Shareholders of the Company} + \text{Total tax expenses} + \text{finance costs} + \text{Depreciation and amortisation expense}}{\text{Weighted average number of equity shares outstanding during the year}}$

(2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(3) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets including revaluation reserves, capital redemption reserves, write-back of depreciation and amalgamation.

(4) The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2020 and 2019 and audited financial statements of two of our Material Subsidiaries, Godavari Biorefineries B.V. and Godavari Biorefineries Inc (collectively, the "**Audited Financial Statements**") are available on our website at <https://godavaribiorefineries.com/our-company-investors>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for

any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of restated profit for the year to EBITDA and EBITDA margin for the year

The table below reconciles restated profit for the year to EBITDA. EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation and amortization expenses, and finance costs while EBITDA Margin is the percentage of EBITDA divided by total income.

(in ₹ million, unless stated otherwise)

Particulars	Year ended March 31,		
	2021	2020	2019
Restated profit/ (loss) for the year (I)	271.55	40.63	55.33
Adjustments:			
Add: Total tax expenses (II)	191.69	(7.72)	8.34
Add: Finance costs (III)	723.76	687.35	898.99
Add: Depreciation and amortization expense (IV)	471.30	449.49	498.93
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (V = I + II + III + IV)	1,658.29	1,169.75	1,461.59
Total Revenue (VI)	15,463.84	14,727.96	15,663.28
EBITDA Margin (VII=V/VI)	10.72%	7.94%	9.33%

Reconciliation of equity share capital and net worth

(in ₹ million)

Particulars	Year ended March 31,		
	2021	2020	2019
Equity share capital (I)	419.43	419.43	383.76
Adjustments:			
Add: Other equity (II)	4,119.79	3,851.89	3,204.58
Less: Revaluation Reserves (III)	2,347.00	2,347.00	2,357.35
Less: Capital Redemption Reserve (IV)	57.35	57.35	57.35
Net worth (V) = (I + II - III - IV)	2,134.87	1,866.97	1,173.65

Reconciliation of Net Asset Value (per Equity Share)

(in ₹ million, unless stated otherwise)

Particulars	Year ended March 31,		
	2021	2020	2019
Equity share capital (I)	419.43	419.43	383.76
Adjustments:			
Add: Other equity (II)	4,119.79	3,851.89	3,204.58
Less: Revaluation Reserves (III)	2,347.00	2,347.00	2,357.35
Less: Capital Redemption Reserve (IV)	57.35	57.35	57.35
Net worth (V) = (I + II - III - IV)	2,134.87	1,866.97	1,173.64
Weighted average number of equity shares outstanding during the year (VI)	41,943,023	40,686,774	37,996,236
Net asset value per equity share (VII) = (V / VI)	50.90	45.89	30.89

Reconciliation of Debt-to-Equity ratio

(in ₹ million, unless stated otherwise)

Particulars	Year ended March 31,		
	2021	2020	2019
Non-current borrowings (I)	3,340.29	1,333.48	1,394.42
Current maturity of long-term debts (II)	605.46	260.80	180.25
Current borrowings (III)	1,688.03	4,446.98	6,434.34
Total borrowings* (IV) = (I + II + III)	5,633.78	6,041.25	8,009.01
Net Worth (V)	2,134.87	1,866.97	1,173.65
Debt-to-Equity ratio (VII) = (IV / V)	2.64	3.24	6.82

* Indicates fund-based borrowings of the Company

Reconciliation of Debt-to-EBITDA ratio*(in ₹ million, unless otherwise stated)*

Particulars	Year ended March 31,		
	2021	2020	2019
Total borrowings* (I)	5,633.78	6,041.25	8,009.01
EBITDA (II)	1,658.29	1,169.75	1,461.59
Debt-to-EBITDA ratio (III) = (I / II)	3.40	5.16	5.48

* Indicates fund-based borrowings of the Company

Reconciliation of return on capital employed*(in ₹ million, unless otherwise stated)*

Particulars	Year ended March 31,		
	2021	2020	2019
Net worth (I)	2,134.87	1,866.97	1,173.65
Adjustments:			
Add: Total borrowings* (II)	5,633.78	6,041.25	8,009.01
Total capital employed (III) = (I + II)	7,768.64	7,908.22	9,182.66
Restated profit/ (loss) for the year (IV)	271.55	40.63	55.33
Adjustments:			
Add: Total tax expenses (V)	191.69	(7.72)	8.34
Add: Finance costs (VI)	723.76	687.35	898.99
Earnings before Interest and Tax (VII) = (IV + V + VI)	1,187.00	720.26	962.66
Return on Capital Employed (VIII) = (VII / III)	15.28%	9.11%	10.48%

* Indicates fund-based borrowings of the Company

CAPITALISATION STATEMENT

The following table sets forth our capitalisation on the basis of our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Position and Results of Operations*”, “*Financial Information*” and “*Risk Factors*” on pages 268, 215, and 29 of this Draft Red Herring Prospectus, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer*
Total Borrowings		
Current borrowings (I)	1,688.03	[●]
Non current borrowings (including current maturities of non current borrowings) (II)	3,945.75	[●]
Total Borrowings (III=I+II)	5,633.78	[●]
Total Equity		
Equity share capital (IV)	419.43	[●]
Other Equity (V)	4,119.79	[●]
Less: Revaluation Reserve (VI)	2,347.00	[●]
Less: Capital Redemption Reserve (VII)	57.35	
Total Equity (VIII=IV+V-VI-VII)	2,134.87	[●]
Ratio: Total Borrowings/ Total Equity (III/VIII)	2.64	[●]

*The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscal 2021, Fiscal 2020 and Fiscal 2019. We have included in this section a discussion of our financial statements on a restated consolidated basis.

The Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2019, Fiscal 2020 and Fiscal 2021 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited consolidated financial statements.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 29 and 20, respectively

Overview

We have the largest integrated bio-refinery in India and are one of the largest producers of ethanol and a pioneer in manufacturing ethanol-based chemicals in India (*source: Frost & Sullivan Report*). We are also the largest manufacturer of MPO worldwide, one of only two manufacturers of natural 1,3 butylene glycol globally, the fourth largest manufacturer of ethyl acetate in India and the only company in India to produce bio ethyl acetate (*source: Frost & Sullivan Report*). Our diversified product portfolio comprising of bio-based chemicals, sugar, rectified spirits, ethanol, other grades of alcohol and power, finds application in a range of industries. According to the Frost & Sullivan Report, our Company is the only company in India to have such a vast portfolio of bio-based products. We are a part of the Somaiya group of companies, which has an experience of over 80 years in the sugar industry and almost 60 years of experience in the bio-based chemicals industry.

We utilise sugarcane as a feedstock to manufacture a wide range of products, including sugar, ethanol, bio-based chemicals and power and were among the first few companies in India to utilise sugarcane juice and syrup for the production of ethanol (*source: Frost & Sullivan Report*). We continuously strive to improve the valorisation of sugarcane through development of down-stream products and increasing the diversion of sugarcane towards value added products. We believe that through our long history of purchasing sugarcane and continued support provided to the farmers, we have established strong relationships and goodwill among the farmers.

Our Sameerwadi Manufacturing Facility is among the top ten sugar complexes in India and we are one of the largest producers of ethanol in India (*source: Frost & Sullivan Report*) with an installed capacity of 380 KLPD as at June 30, 2021. The rectified spirits manufactured by us are converted into various grades of ethanol including fuel ethanol, pharma grade ethanol and extra neutral alcohol (the "**Rectified Spirits and Ethanol**"). In order to improve the valorisation of sugarcane and in light of the government initiatives for increasing fuel ethanol blending, we intend to expand our capacity for manufacturing ethanol from 380 KLPD (as at June 30, 2021) to 570 KLPD and have obtained environmental clearance for such expansion. Further, our Company is evaluating the prospect of manufacturing of 2nd generation ethanol and energy cane to further improve the availability of feedstock for our distillery segment.

The chemicals manufactured by us comprise of ethanol-based chemicals such as ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio- acetic acid and paraldehyde (collectively, the "**Bio-based Chemicals**"). The Bio-based Chemicals manufactured by us find application in various industries, including the agrochemical, cosmetics, flavour and fragrance, food, fuel, paints and coatings and pharmaceutical industries, while the ethanol manufactured are sold to oil marketing companies and also find application in the beverages, pharmaceutical and chemical industries. We have also received environmental clearance to expand our existing capacities and to manufacture a wider range of speciality chemicals including cellulose, MCC, xylitol, EVE, furfural, lignosulphonate and bio-composite.

We have consistently invested in R&D and technology, have successfully implemented some of them based on

market/customer demand at our Manufacturing Facilities over the years and as on the date of this Draft Red Herring Prospectus, we have patented 13 products/processes and received 41 registrations in relation thereto across different countries. We have three research and development facilities (the “**R&D Facilities**”) which are registered, with the Department of Scientific and Industrial Research, Government of India (“**DSIR**”), with one R&D Facility located at each Manufacturing Facility and one located in Navi Mumbai, Maharashtra. During Fiscals 2021, 2020 and 2019, we have incurred research and development expenditure aggregating to ₹ 149.89 million, ₹ 148.40 million and ₹ 131.65 million respectively. We have in the past collaborated with various third parties in connection with our research and development activities. For instance, we have entered into the memorandum of understanding dated April 9, 2021 (read with the addendum dated September 9, 2021) with Dr. Sendurai Mani in connection with the development of small molecule inhibitors for cancer and obtained approval in March 2021 to undertake clinical trials in relation to a proposed drug for a period of two years. As at June 30, 2021, we have engaged 38 research scientists at our R&D Facilities, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We also actively support the agricultural research conducted by the K.J. Somaiya Institute for Applied Agriculture Research (“**KIAAR**”) and have entered into a memorandum of understanding dated September 9, 2021 with KIAAR to carry out joint research activities in various fields including soil testing, production of tissue culture seedlings, production and supply of bio-fertilizers, transfer of technology to farmers, organic farming and energy cane.

Our customers include marquee players such as Biocon Limited, Cipla Limited, Deccan Fine Chemicals (India) Private Limited, Dr. Reddy's Laboratories Limited, Hershey India Private Limited, Hindustan Coca-Cola Beverages Private Limited, International Flavors & Fragrances, OG Corporation, Privi Speciality Chemicals Limited, Sun Pharmaceutical Industries Limited, United Spirits Limited and Varun Beverages Limited as well as major oil marketing companies. Over the years, we have significantly expanded our scale of operations and global footprint, and have customers from over 20 countries including Australia, China, France, Germany, Italy, Japan, Kenya, Netherlands, Nigeria, Singapore, Switzerland, United Kingdom, United Arab Emirates and United States of America. We have also established offices in Hoofddorp (Netherlands) and Princeton, New Jersey (United States of America), which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. For Fiscals 2021, 2020 and 2019, our consolidated revenue from operations from outside India contributed 18.62%, 16.94% and 22.53%, respectively, of our consolidated revenue from operations.

We currently have two manufacturing facilities (the “**Manufacturing Facilities**”), with one manufacturing facility located in the Bagalkot district in Karnataka (the “**Sameerwadi Manufacturing Facility**”) and another manufacturing facility located in the Ahmednagar district in Maharashtra (the “**Sakarwadi Manufacturing Facility**”). The Sameerwadi Manufacturing Facility is an integrated facility dedicated to the manufacturing of Rectified Spirits and Ethanol, sugar and power, while the Sakarwadi Manufacturing Facility is currently dedicated to the manufacturing of Bio-based Chemicals. As at June 30, 2021, the Sameerwadi Manufacturing Facility had *inter alia* a sugarcane crushing capacity of 15,000 TCD, an installed capacity of 400 KLPD for rectified spirits, 380 KLPD for ethanol and power plants with an aggregated installed capacity of 49.56 MWH as at June 30, 2021, while at the Sakarwadi Manufacturing Facility the aggregate installed capacity was 101,197.40 MTPA comprising of capacities for ethyl acetate, bio-ethyl acetate, MPO, 1,3 butylene glycol, crotonaldehyde, acetaldehyde, acetic acid, bio-acetic acid and paraldehyde. For additional details in relation to our Manufacturing Facilities, see “*Our Business - Our Manufacturing Facilities*” on page 159. Our Manufacturing Facilities are equipped with technology relevant for the products manufactured by us. We are Responsible Care® certified and our Registered and Corporate Office and the Sakarwadi Manufacturing Facility are ISO 9001:2015, RC 14001:2015 and ISO 14001:2015 certified. We have obtained certification confirming compliance with the requirements of BONSUCRO in the “production of white refined sugar and molasses from sugarcane”. We have also been permitted by the United States Department of Agriculture to use the “USDA Certified Biobased Product” label for some of our products such as 1,3 butylene glycol and bio-based ethyl acetate.

As a part of our expansion, we propose to expand our manufacturing capabilities at the Sameerwadi Manufacturing Facility by augmenting our sugarcane crushing capacity by 3,000 TCD from 15,000 TCD to 18,000 TCD to support our proposed expansion in production of ethanol and by establishing a unit for the extraction of potash from fly ash generated at the Sameerwadi Manufacturing Facility with an estimated capacity of 10 MT per day. For further details, see “*Objects of the Offer*” on page 89.

We seek to implement sustainable practices in our manufacturing process and seek to purchase sugarcane from farmers who implement sustainable practices and implement and produce products which have a lower

environmental impact. We seek to utilise all of our by-products and minimise waste as part of our operations. We have installed an incineration boiler at the Sameerwadi Manufacturing Facility, which uses spent wash (which is waste produced while producing rectified spirits) to generate steam for our distillery operations. We have in the past received awards including the “Water Resource Management in Chemical Industry” Award from the Indian Chemical Council in 2015, the “Efficiency in Water Usage-Chemicals” award from FICCI in 2016 and the “Outstanding Renewable Energy Generation-Biofuel” award from the Indian Federation of Green Energy in 2019.

A summary of our financial performance during the last three Fiscals is as follows:

(in ₹ million)			
Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Consolidated revenue from operations	15,381.73	14,591.49	15,522.29
EBITDA	1,658.29	1,169.75	1,461.59
Consolidated profit after tax	271.55	40.63	55.33
Consolidated net worth	2,134.87	1,866.97	1,173.65
Revenue from ethanol (as a % of consolidated revenue from operations)	21.28%	16.83%	11.94%
Revenue from Bio-based Chemicals (as a % of consolidated revenue from operations)	34.96%	31.22%	39.26%

We are the flagship company of the diversified Somaiya group, which has interests in inter alia the education, agricultural research, renewable energy and healthcare industries. We are able to leverage the experience, capabilities and reputation of the Somaiya group in our business operations. Further, we have strong and well experienced Board and key managerial personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Samir Shantilal Somaiya, who is also our Chairman and Managing Director, has played a significant role in our development and growth. For further, details in relation to Samir Shantilal Somaiya and our other Directors and key managerial personnel, see “*Our Management*” on page 187.

Principal Factors Affecting Our Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 29. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

The COVID-19 pandemic

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, ‘stay-at-home’ orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Resurgence of the virus or a variant of the virus that causes a rapid increase in cases and deaths, if measures taken by governments fail or if vaccinations are not administered as planned, may cause significant economic disruption in India and in the rest of the world. No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced.

Since certain of our products are categorised as “essential goods”, our Sameerwadi Facility operated at 50% employee capacity until May 31, 2020 and resumed normal functions from June 1, 2020, while our Sakarwadi Facility was shut down for a period of 7 days and was fully operational post April 1, 2020. We have implemented safety procedures and requirements at our Manufacturing Facilities to meet the government’s requirement on sanitisation, staggered shifts and social distancing. On account of the lockdown imposed by the State Government of Karnataka owing to the second wave of COVID-19, the operations at the sugar division were temporarily suspended from May 10, 2021 to May 31, 2021. In addition, due to the lockdown imposed by the Government of India, demand for our products, specifically from the food, beverage and FMCG sectors was severely impacted between May – June 2021. Further, there is a likelihood of continuation of disruption in supply chain, increased raw material costs, transport and service costs which may adversely affect our production and profits.

Depending on the extent to which the local and global community has been impacted by the pandemic, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly

from our historical rates, and our future operating results may fall below expectations. For further details see, “Risk Factors - *The continuing impact of the outbreak of the novel coronavirus could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations*”

Availability of sugarcane, molasses, and feedstock for the manufacturing of our sugar, distillery and cogeneration segments

Sugarcane is the principal raw material used for our products in sugar, distillery and cogeneration segments. The residue generated from the crushing process such as bagasse and molasses are used for power generation and distillery functions. Most of our sugarcane requirement is met through direct purchase from independent farmers cultivating sugarcane around our Sameerwadi Manufacturing Facility. Whilst, we have entered into agreements with farmers for procurement of sugarcane, these agreements are not exclusive in nature and our existing relationships with the farmers plays a critical role in obtaining raw materials for our operations. Our business and results of operations are dependent on our ability to maintain such relationships with the farmers for our ongoing sugarcane requirements. In addition, sugarcane production is dependent on several fluctuating factors such as duration of crushing season, availability of water and condition of soil and monsoons. Uncertainty of the time and duration of crushing season and inability to ascertain the availability of sugarcane during the crushing season in advance may affect our operating results in one or more periods and which in turn may impact our cash flows. Further, the quality of our products is highly dependent on our ability to source quality raw materials. Adverse weather conditions, crop disease and pest attacks may adversely affect sugarcane crop yields and the quality of produce thereby affecting sugar recovery rates.

Sugarcane and ethanol pricing

Our profitability depends significantly on the cost of sugarcane, our principal raw material, and the selling price of sugar. The price to be paid to the farmers for sugarcane is determined by the fair and remunerative price, premium and recovery levels fixed by the Government of India. Further, the market price of our sugar products and by-products are variable and dependent on prevailing market prices, competition, demand and supply patterns and cyclical nature of the industry. The market in India has experienced periods of limited supply, causing sugar prices and industry profit margins to increase, followed by periods of excess production that result in oversupply, causing declines in sugar prices and industry profit margins. Rising procurement prices for sugarcane, particularly in the event of a decrease in the price of sugar may cause our margins to fluctuate and adversely affect our results of operations and financial condition. Further, although the price of sugar is market driven, a minimum selling price is fixed and regulated by the Government of India for sale of white or refined sugar for domestic consumption. Similarly, the pricing of ethanol to be supplied to oil marketing companies under the Ethanol Blended Petrol Programme (“**EBP Program**”) are dependent on government mandated price and blending targets set by the Government. Changes in governmental policies for procurement or pricing for sugarcane, ethanol or sugar will impact our business, financial condition and results of operations.

Procurement of raw materials (other than sugarcane)

We source certain of our raw materials namely, special denatured spirit (“**SDS**”), acetic acid, methyl ethyl ketone (“**MEK**”) and molasses from a limited number of third-party suppliers from geographies which include India, USA, China and UAE. Our dependence on foreign suppliers subjects us to certain risks which include political and economic instability in the countries in which such suppliers are located, disruptions in transportation, currency exchange rates, transport costs amongst others. We may not be able to find alternate sources for the procurement of raw materials in a timely manner if we fail to receive the quality of raw materials that we require; negotiate appropriate financial terms or obtain adequate supply of raw materials. Further, in the event that either our demand increases, or our suppliers experience a scarcity of resources, our suppliers may be unable to meet our demand for raw materials. Any such reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner for the procurement of such raw materials will impact our business, financial condition and results of operations.

Significant portion of our revenue is derived from few customers and products

Revenues generated from sales to our top five customers represented 30.89%, 31.36% and 27.81% of our consolidated revenue from operations in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. While we have developed long-term relationships with certain of our customers, there is no commitment on the part of our key customers to continue to place new purchase orders with us. Further, we may not find any other customers for the surplus or excess capacity. The loss of one or more of these significant customers or a significant decrease in

business from any such key may impact our business, financial condition and results of operations. A significant portion of our revenues is derived from the sale of a few products, namely, sugar, ethyl acetate, ethanol and MPO. Revenue from sugar, ethyl acetate, ethanol and MPO accounted for 31.94%, 21.62%, 21.28% and 6.50%, respectively of our consolidated revenue in Fiscal 2021, 42.83%, 18.89%, 16.83% and 3.71%, respectively of our consolidated revenue in Fiscal 2020 and 41.09%, 23.91%, 11.94% and 7.86%, respectively of our consolidated revenue in Fiscal 2019. In case revenues from these products decline as a result of increased competition, pricing pressures, fluctuations in demand for or supply it will impact our business, financial condition and results of operations.

Research and Development

The growth of our business depends upon our ability to anticipate and identify changes in the preferences of our customers and offer them products that they require, on a timely basis. In order to remain competitive, we develop, test and manufacture new products, which must meet our customers' standards including any applicable regulatory standards. We have established a dedicated research and development facility in Navi Mumbai, Maharashtra and a research and development facility at each of our Manufacturing Facilities. Our ability to successfully introduce new and innovative products also depends on our ability to adapt and invest in new technologies. Any failure on our part to successfully identify and commercialise new products or to predict and respond effectively to competition will have an impact on our business, financial condition and results of operations.

Significant Accounting Policies

The discussion and analysis of our financial condition and results of operations is based on the Restated Consolidated Financial Statements. The preparation of the Restated Consolidated Financial Statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and accompanying disclosure of contingent liabilities and other attributes of our income, expenditure and cash flow. For details of significant accounting policies followed by us while preparing our financial statements, see "*Restated Consolidated Financial Statements*" on page 215.

Our results of operations and financial condition are sensitive to accounting methods, assumptions and estimates that underlie the preparation of our financial statements. We evaluate these estimates on an on-going basis. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount values of assets and liabilities that are not readily apparent from other sources.

Principal Components of Statement of Profit and Loss

Total Revenue

Our total revenue comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of the following:

- (a) Revenue from sale of products: we generate majority of our revenue from the sale of products which comprise of sugar, co-generation, Bio-based Chemicals, distillery-based products such as rectified spirits, alcohol and other products; and
- (b) Other operating revenue comprising of sugar washout charges towards cancellation of export related sugar purchase orders.

Other income

Other income comprises of interest received from bank deposits and others, fair value gain on financial instruments at fair value through profit and loss, net gain on disposal of property, plant and equipment, government grants, write back of sundry balances, gains from foreign exchange fluctuations and other miscellaneous income, which primarily includes recovery of harvest and transport related expenses, export quota, insurance, sundry balances written back and others.

Expenses

Our expenses comprise of cost of materials consumed, purchase of stock-in-trade and changes to inventories of finished goods, work-in-process and stock-in trade, employee benefit expense, finance cost, depreciation and amortization expenses and other expenses.

Cost of materials consumed, purchase of stock-in-trade and changes to inventories of finished goods, work-in-progress and stock-in trade

Cost of materials consumed primarily includes the cost of raw materials such as sugar cane, feedstock for chemicals and distillery operations. Details of cost of materials consumed is for Fiscal 2021, Fiscal 2020 and Fiscal 2019 is set forth below:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sugarcane	6,598.03	5,071.71	5,597.09
Feedstock for Chemicals business	3,611.67	3,292.08	4,447.45
Others including feedstock for distillery business, agricultural inputs and others	624.55	436.70	463.32
Total	10,834.25	8,800.49	10,507.87

Purchase of stock-in trade primarily includes the cost of chemicals, fertilizer and other agricultural inputs which we purchase from third parties.

Changes in inventories of finished goods, work-in-progress and stock-in trade denotes increase/decrease in inventories of finished goods, work-in-progress and stock-in trade between opening and closing dates of a reporting period.

Employee benefit expenses

Employee benefit expenses comprises of salaries, wages and bonuses paid, contribution to provident and other funds, directors' remuneration and staff welfare expenses.

Finance cost

Finance cost comprises of interest on term loans, cash credit, public deposits, unsecured loans, lease liabilities and bank charges.

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Term Loan	254.57	81.17	148.79
Cash Credit	143.45	222.05	268.88
Others	325.74	384.12	481.32
Total	723.76	687.34	898.99

For further details, see "Financial Indebtedness" on page 283.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses comprises of depreciation of tangible assets, right of use assets and amortization of intangible assets.

Other expenses

Other expenses predominantly comprise of manufacturing expenses, selling and distribution expenses and administration and other expenses.

Manufacturing expenses primarily comprise of expenses in relation to power and fuel, repairs and maintenance, stores, consumables, packing materials, labour charges, go-down rent and other charges.

Selling and distribution expenses primarily comprise of freight, clearing and forwarding charges and consumption of packing material.

Administration and other expenses primarily comprise of legal and professional fee, insurance, auditor fee, contribution to scientific research institution, rates and taxes, travelling and conveyance expenses, provisions on receivables and advances to vendors and general expenses.

Tax expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities and taxes related to earlier periods.

Profit/(loss) for the period

Profit for the period represents profit after tax before other comprehensive income.

Results of Operations

The following table sets forth select financial data from our statement of restated consolidated profit and loss for Fiscal 2021, Fiscal 2020 and Fiscal 2019, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Fiscal					
	2021		2020		2019	
	(in ₹ million)	Percentage of total income (in %)	(in ₹ million)	Percentage of total income (in %)	(in ₹ million)	Percentage of total income (in %)
Income:						
Revenue from operations	15,381.73	99.47	14,591.49	99.07	15,522.29	99.10
Other Income	82.11	0.53	136.47	0.93	140.98	0.90
Total income	15,463.84	100.00	14,727.96	100.00	15,663.28	100.00
Expenses:						
Cost of materials consumed	10,834.25	70.06	8,800.49	59.75	10,507.87	67.09
Purchase of stock-in trade	115.05	0.74	96.27	0.65	126.97	0.81
Changes in inventories of finished goods, work-in-progress, and stock-in trade	(376.94)	(2.44)	1,821.58	12.37	602.71	3.85
Employee benefit expense	854.91	5.53	842.82	5.72	813.97	5.20
Finance costs	723.76	4.68	687.35	4.67	898.99	5.74
Depreciation and amortization expense	471.30	3.05	449.49	3.05	498.93	3.19
Other Expenses	2,378.27	15.38	1,997.05	13.56	2,150.16	13.73
Total expenses	15,000.60	97.00	14,695.05	99.78	15,599.60	99.59
Restated profit before tax	463.24	3.00	32.91	0.22	63.67	0.41
Tax expense:						
Current tax	3.34	0.02	1.04	0.01	1.39	0.01
Adjustments of tax relating to earlier periods	21.68	0.14	-	-	-	-
Deferred tax	166.67	1.08	(8.75)	(0.06)	6.95	0.04
Total tax expenses	191.69	1.24	(7.72)	(0.05)	8.34	0.05
Restated profit for the year	271.55	1.76	40.63	0.28	55.33	0.35
Other comprehensive income						
Items not to be reclassified to profit or loss in subsequent periods/years:						
Remeasurement of gains (losses) on defined benefit plans	(6.84)	(0.04)	1.92	0.01	(4.94)	(0.03)
Income tax effect	2.13	0.01	(0.60)	(0.00)	1.54	0.01
Exchange differences in translating the financial statements of a foreign operation	1.06	0.01	(1.05)	(0.01)	(3.59)	(0.02)

Particulars	Fiscal					
	2021		2020		2019	
	(in ₹ million)	Percentage of total income (in %)	(in ₹ million)	Percentage of total income (in %)	(in ₹ million)	Percentage of total income (in %)
Restated total other comprehensive income for period/year, net of tax	(3.65)	(0.02)	0.27	0.00	(6.98)	(0.04)
Restated total comprehensive income for the period/year, net of tax	267.89	1.73	40.90	0.28	48.35	0.31

Fiscal 2021 compared to Fiscal 2020

Total revenue

Revenue from operations

Our revenue from operations increased by 5.42% to ₹ 15,381.73 million in Fiscal 2021 from ₹ 14,591.49 million in Fiscal 2020. This was primarily led by an increase in revenues from chemicals and distillery segments (pre-adjustment for unallocated revenue) which was partially offset by decrease in revenues from sugar and cogeneration segments. The increase in chemicals segment was driven by increase in volume of MPO and Ethyl Acetate as well as increase in prices of various chemicals. During the year, we also diverted higher percentage of cane syrup towards distillery segment which lead to higher revenues in distillery segment and lower revenues in sugar segment.

The following table sets forth the external revenue contributed by each of our business segments and as a percentage of our total revenue from operations for Fiscal 2021 and Fiscal 2020:

Particulars	Fiscal 2021		Fiscal 2020	
	External revenues (₹ million)	As % of total revenue from operations	External revenues (₹ million)	As % of total revenue from operations
Sugar	4,912.39	31.94	6,250.09	42.83
Chemicals	5,376.79	34.95	4,555.62	31.22
Distillery	4,561.62	29.66	3,264.94	22.38
Cogeneration	405.18	2.63	414.72	2.84
Unallocated	125.75	0.82	106.12	0.73
Total	15,381.73	100.00	14,591.49	100.00

Other income

Other income decreased by 39.83% to ₹ 82.11 million in Fiscal 2021 from ₹ 136.47 million in Fiscal 2020. The decrease was predominantly due to decrease in interest income earned from bank deposits and others to ₹ 32.76 million in Fiscal 2021 from ₹ 38.20 million in Fiscal 2020, reduction in net gain on disposal of property, plant and equipment to ₹ 11.81 million in Fiscal 2021 from ₹ 38.65 million in Fiscal 2020 and decrease in sundry balances written back to nil in Fiscal 2021 from ₹ 39.00 million in Fiscal 2020 which was partially offset by an increase in miscellaneous income to ₹ 31.87 million in Fiscal 2021 from ₹ 18.27 million in Fiscal 2020 and an increase in fair value gain on financial instruments at fair value through profit and loss.

Total expenses

Cost of Materials Consumed

Our cost of materials consumed increased by 23.11% to ₹ 10,834.25 million in Fiscal 2021 from ₹ 8,800.49 million in Fiscal 2020 and purchase of stock-in trade increased by 19.50% to ₹ 115.05 million in Fiscal 2021 from ₹ 96.27 million in Fiscal 2020 primarily due to increased cane crushing from approximately 1.5 million MT in Fiscal 2020 to approximately 2.0 million MT in Fiscal 2021. In addition, there was an increase in inventories of finished goods, work in progress and stock-in trade in Fiscal 2021 to ₹ 3,142.10 million from ₹ 2,765.16 million in Fiscal 2020 which led to a net decrease/ (increase) in inventories of ₹ (376.94) million in Fiscal 2021 as compared to net decrease/ (increase) in inventories of ₹ 1,821.58 million in Fiscal 2020. This increase in our cost

of materials consumed and increase in inventories of finished goods, work in process and stock-in trade was primarily attributable to an increase in inventory of finished goods.

Employee benefit expenses

Employee benefit expenses increased by 1.43% to ₹ 854.91 million in Fiscal 2021 from ₹ 842.82 million in Fiscal 2020. Such increase is due to increase in salaries, wages and bonus and increase in director remuneration.

Finance costs

Finance costs increased by 5.30% to ₹723.76 million in Fiscal 2021 from ₹687.35 million in Fiscal 2020, predominantly due to increase in interest expense on borrowings for capacity expansion which was partially offset by reduction in interest expense from short term loans and cash credit facilities.

Depreciation and amortization expense

Depreciation and amortization expense increased by 4.85% to ₹471.30 million in Fiscal 2021 from ₹449.49 million in Fiscal 2020, due to an increase in depreciation on our tangible assets and right of use assets by 4.86% to ₹470.44 million for Fiscal 2021 from ₹448.63 million for Fiscal 2020.

Other Expenses

Other expenses increased by 19.09% to ₹ 2,378.27 million in Fiscal 2021 from ₹1,997.05 million in Fiscal 2020, predominantly due to an increase in (i) manufacturing expenses by 10.11% predominantly due to expenses towards power and fuel costs, repairs and maintenance of plant and machinery and on stores, consumables and packing material; (ii) selling and distribution expenses by 87.41%; and (iii) administration and other expenses by 17.02% predominantly due to expenses towards insurance, increase in provisions for doubtful debt, contribution to scientific research institution, legal and professional fees, rates and taxes and general expenses amongst others.

Tax expenses

Our tax expense increased to ₹ 191.69 million for Fiscal 2021 from ₹ (7.72) million for Fiscal 2020, primarily due to higher profit before tax during Fiscal 2021 as compared to Fiscal 2020.

Profit/(loss) for the period

Due to the reasons stated above, our profit for the year increased to ₹271.55 million in Fiscal 2021 from ₹40.63 million in Fiscal 2020.

Fiscal 2020 compared to Fiscal 2019

Total revenue

Revenue from operations

Our revenue from operations decreased by 5.97% to ₹ 14,591.49 million in Fiscal 2020 from ₹ 15,522.29 million in Fiscal 2019, due to a decrease in sales volume of chemicals.

The following table sets forth the external revenue contributed by each of our business segments and as a percentage of our total revenue from operations for Fiscal 2020 and Fiscal 2019:

Particulars	Fiscal 2020		Fiscal 2019	
	External revenue (₹ million)	As % of Total Revenue from Operations (in %)	External Revenues (₹ million)	As % of Total Revenue from Operations (in %)
Sugar	6,250.09	42.83	6,378.43	41.09
Chemicals	455.62	31.22	6,093.32	39.26
Distillery	3,264.94	22.38	2,607.06	16.80
Cogeneration	414.72	2.84	335.56	2.16
Unallocated	106.12	0.73	107.92	0.69

Particulars	Fiscal 2020		Fiscal 2019	
	External revenue (₹ million)	As % of Total Revenue from Operations (in %)	External Revenues (₹ million)	As % of Total Revenue from Operations (in %)
Total	14,591.49	100.00	15,522.29	100.00

Other income

Other income decreased by 3.20% to ₹ 136.47 million in Fiscal 2020 from ₹ 140.98 million in Fiscal 2019. This decrease was predominantly due to decrease in interest from bank and other deposits, reduced gain on financial instruments at fair value and miscellaneous income which was partially offset by increased sundry balances written back and increase in net gain on disposal of property, plant and equipment.

Total expenses

Cost of Materials Consumed

Our cost of materials consumed decreased by 16.25% to ₹ 8,800.49 million in Fiscal 2020 from ₹ 10,507.87 million in Fiscal 2019 primarily due to reduction in cane crushed during the period from approximately 1.7 million MT in Fiscal 2019 to approximately 1.5 million MT in Fiscal 2020 and decrease in purchase of stock-in trade by 24.18% to ₹ 96.27 million in Fiscal 2020 from ₹ 126.97 million in Fiscal 2019. In addition, there was a decrease in inventories of finished goods, work in progress and stock-in trade to ₹ 2,765.16 million in Fiscal 2020 from ₹ 4,586.73 million in Fiscal 2019 which led to net decrease/ (increase) in inventories of ₹ 1,821.58 million in Fiscal 2020 as compared to net decrease/ (increase) in inventories of ₹ 602.71 million in Fiscal 2019.

Employee benefit expenses

Employee benefit expenses increased by 3.54% to ₹ 842.82 million in Fiscal 2020 from ₹ 813.97 million in Fiscal 2020. Such increase was primarily due to an increase in annual salaries, wages and bonus paid to employees, increase in staff welfare expenses and director remuneration in Fiscal 2020.

Finance costs

Finance costs decreased by 23.54% to ₹ 687.35 million in Fiscal 2020 from ₹ 898.99 million in Fiscal 2019, predominantly due to decrease in fund-based borrowings to ₹ 6,041.26 million in Fiscal 2020 from ₹ 8,009.01 million in Fiscal 2019.

Depreciation and amortization expense

Depreciation and amortization expense decreased by 9.91% to ₹ 449.49 million in Fiscal 2020 from ₹ 498.93 million in Fiscal 2019, due to a decrease in depreciation on our tangible assets and right of use assets by 10.02% to ₹ 448.63 million for Fiscal 2020 from ₹ 498.61 million for Fiscal 2019.

Other Expenses

Other expenses decreased by 7.12% to ₹ 1,997.05 million in Fiscal 2020 from ₹ 2,150.16 million in Fiscal 2019, predominantly due to (i) decrease in manufacturing expenses by 8.81% primarily due to reduced expenses towards stores, consumables and packing material and power and fuel which were partially offset by increase in labour charges; (ii) an increase in selling and distribution expenses by 8.32%; and (iii) decrease in administration and other expenses by 7.59% primarily due to reduced expenses towards general expenses (including traveling and telephone) and rates and taxes which was partially offset by increase in legal and professional fees and expenses towards insurance amongst others. Such decrease in other expenses is in line with the decrease in our revenue from operations.

Tax expenses

Our tax expense decreased to ₹(7.72) million for Fiscal 2020 from ₹ 8.34 million for Fiscal 2019, primarily due to lower profit before tax during Fiscal 2020 as compared to Fiscal 2019 and changes in deferred taxes.

Profit/(loss) for the period

Due to the reasons stated above, our profit for the year decreased by 26.57% for Fiscal 2020 to ₹ 40.63 million,

as compared to a profit of ₹ 55.33 million in Fiscal 2019.

Cash Flows Based on Our Restated Consolidated Financial Statements

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statements, for the periods indicated:

(in ₹ million)

Particulars	Fiscals		
	2021	2020	2019
Net cash inflow from/ (outflow in) operating activities	1,487.26	2,495.69	2,870.75
Net cash inflow from / (outflow in) investing activities	(74.91)	(226.02)	(545.75)
Net cash inflow from/ (outflow in) financing activities	(1,391.11)	(2,264.44)	(2,312.46)
Net increase/ (decrease) in cash and cash equivalents	21.24	5.24	12.54

Operating activities

Fiscal 2021

Our restated profit/ (loss) before income tax for Fiscal 2021 was ₹ 463.24 million. Net cash generated from operating activities for Fiscal 2021 was ₹ 1,487.26 million and the operating cash flows before change in operating assets and liabilities was ₹ 1,703.81 million. The change in operating assets and liabilities was primarily due to increase in inventories by ₹ 408.22 million, increase in trade receivables by ₹ 455.98 million which was partially offset by increase in trade payables by ₹ 206.92 million, increase in other liabilities by ₹ 261.63 million and decrease in other assets by ₹ 219.72 million.

Fiscal 2020

Our restated profit/ (loss) before income tax for Fiscal 2020 was ₹ 32.91 million. Net cash generated from operating activities for Fiscal 2020 was ₹ 2,495.69 million and the operating cash flows before change in operating assets and liabilities was ₹ 1,058.97 million. The change in operating assets and liabilities was primarily due to decrease in inventories by ₹ 1,863.97 million, decrease in trade receivables by ₹ 195.70 million and increase in other liabilities by ₹ 152.71 million which was partially offset by decrease in trade payables by ₹ 687.56 million and increase in other assets by ₹ 44.25 million.

Fiscal 2019

Our restated profit/ (loss) before income tax for Fiscal 2019 was ₹ 63.67 million, Net cash generated from operating activities for Fiscal 2019 was ₹ 2,870.75 million and the operating cash flows before change in operating assets and liabilities was ₹ 1,348.59 million. The change in operating assets and liabilities was primarily due to decrease in inventories by ₹ 568.75 million, increase in trade payables by ₹ 1,420.17 million and increase in provisions which was partially offset by increase in trade receivables by ₹ 67.66 million, decrease in other liabilities by ₹ 154.69 million and increase in other assets by ₹ 254.39 million.

Investing activities

Fiscal 2021

Net cash used in investing activities for Fiscal 2021 was ₹ 74.91 million, which primarily included payments made for purchase of property, plant and equipment of ₹ 123.41 million which were partially offset by proceeds of ₹ 15.31 million from sale of property, plant and equipment. and by interest of ₹ 33.19 million received from deposits with banks.

Fiscal 2020

Net cash used in investing activities for Fiscal 2020 was ₹ 226.02 million, which primarily included payments made for purchase of property, plant and equipment of ₹ 264.73 million which were partially offset by interest received of ₹ 38.71 million received from deposits with banks.

Fiscal 2019

Net cash used in investing activities for Fiscal 2019 was ₹ 545.75 million, which primarily included payments

made for purchase of property, plant and equipment of ₹ 686.78 million which were partially offset by proceeds of ₹ 103.13 million from sale of property, plant and equipment and interest received of ₹ 37.90 million received from deposits with banks.

Financing activities

Fiscal 2021

Net cash outflow in financing activities for Fiscal 2021 was ₹ 1,391.11 million, which primarily included repayment of non-current borrowings of ₹ 607.45 million and payment of interest and finance charges of ₹ 782.20 million.

Fiscal 2020

Net cash outflow in financing activities for Fiscal 2020 was ₹ 2,264.44 million, which primarily included cash outflows on account of repayment of non-current borrowings of ₹ 2,106.79 million and interest and finance charges payment of ₹ 798.54 million. This was partially offset by proceeds from the issuance of equity shares (including share premium) of ₹ 642.08 million.

Fiscal 2019

Net cash outflow in financing activities for Fiscal 2019 was ₹ 2,312.46 million, which primarily included cash outflows on account of repayment of non-current borrowings of ₹ 1,510.52 million and interest and finance charges payment of ₹ 967.32 million. This was partially offset by proceeds from the issuance of equity shares (including share premium) of ₹ 166.11 million.

Business Segments

The Company has four operating business units based on the risks and rates of returns of products produced or manufactured by these respective units:

- (i) Sugar;
- (ii) Bio-based chemicals;
- (iii) Distillery; and
- (iv) Cogeneration

The operating external revenue from each of our business segments for Fiscal 2021, Fiscal 2020 and Fiscal 2019 as per our restated consolidated financial statements is set forth below:

Sr. No.	Business Segment	External revenue from each business segment for the financial year ended March 31					
		2021		2020		2019	
		₹ (in million)	%	₹ (in million)	%	₹ (in million)	%
1.	Sugar	4,912.39	31.94	6,250.09	42.83	6,378.43	41.09
2.	Bio-based chemicals	5,376.79	34.96	4,555.62	31.22	6,093.32	39.26
3.	Distillery	4,561.62	29.66	3,264.94	22.38	2,607.06	16.80
4.	Cogeneration	405.18	2.63	414.72	2.84	335.56	2.16
5.	Unallocated	125.75	0.82	106.12	0.73	107.92	0.70
Total		15,381.73	100.00	14,591.49	100.00	15,522.29	100.00

Indebtedness

As at March 31, 2021, we had total fund-based borrowings of ₹ 5,633.78 million and had availed total non-fund-based borrowings of ₹ 536.46 million.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain

these consents could have significant consequences on our business. For further details, see “*Risk Factors*” on page 29.

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities and commitments as of March 31, 2021, March 31, 2020 and March 31, 2019:

Contingent liabilities

(in ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Excise duty and service tax (excluding interest and penalty)	79.10	79.10	79.10
Bank guarantees	196.34	291.96	184.49
Letters of credit	316.27	333.47	264.05
Corporate guarantee to Karnataka Bank	76.31	-	-

Capital commitments

Capital expenditure contracted for at the end of the relevant reporting period but not recognised as liabilities is set forth below

(in ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment	493.38	35.52	401.68

For further details, please see “*Financial Information*” on page 215.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Related Party Transactions

For details of our relation party transactions, please see “*Financial Information*” on page 215.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of our borrowings, both term and working capital, are floating rate linked borrowings wherein interest rate is reset at different time intervals. Fluctuation in interest rates will therefore have a bearing on our debt service obligations.

Foreign Currency Risk

Foreign currency risk arises from commercial transactions that recognise assets and liabilities denominated in a currency that is not Company’s functional currency i.e. Indian Rupees. The Company has natural hedge of exports against import and any excess in import if any, is covered by forward contracts.

Inventory price risk

The Company is exposed to the movement in price of its principal finished product i.e., sugar. Price of sugar cane

is fixed by the Government. Typically, sugar production is undertaken during the sugar cane harvesting period which extends from November to April. Sugar is sold throughout the year which exposes the sugar inventory to movements in price. The Company monitors sugar prices on a daily basis and accordingly formulates its sales strategy to achieve maximum realisation.

Liquidity risk

Liquidity risk is the risk that a group may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The ultimate responsibility for liquidity risk management rests with the Board to appropriately manage the Company's short, medium and long-term funding and liquidity management requirements.

For further information, see, "*Financial Information*" on page 215.

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.

Changes in Accounting Policies

Other than as disclosed in the Restated Consolidated Financial Statements, there have been no changes in accounting policies in the last three Fiscals, please see "*Financial Information – Restated Consolidated Financial Statements*" on page 215.

Seasonality of Business

Our business is influenced by the availability of our basic raw material, i.e., sugarcane. Our production schedules are operational only according to such availability. As a result, our business is sensitive to weather conditions such as duration of crushing season, cropping patterns, drought, floods, cyclones and natural disasters, as well as events such as pest infestations. For further details, please see the section on "*Risk Factors - Our business in the sugar, distillery and cogeneration segments are subject to seasonal variations that could result in fluctuations in our results of operations.*" on page 33.

Dependence on Customers and Suppliers

We are dependent on a limited number of customers for a significant portion of our revenues. Revenues generated from sales to our top five customers represented 30.89%, 31.36% and 27.81% of our consolidated revenue from operations in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. For further details, please see "*Risk Factors – We derive a significant portion of our revenue from a few customers and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products may adversely affect our business, results of operations, financial condition and cash flows*" on page 34. We source our raw materials namely, special denatured spirit ("**SDS**"), acetic acid, methyl ethyl ketone ("**MEK**") and molasses from a limited number of third-party suppliers from geographies including India, USA, China and UAE. Our three largest suppliers of imported raw materials accounted for 50.75%, 61.50% and 54.77% of our consolidated total raw material purchases (excluding sugarcane), for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. For further details, please see "*Risk Factors - We depend on a few suppliers for supply of a significant portion of raw materials (other than sugarcane). Any failure to procure such raw materials from these suppliers may have an adverse impact on our manufacturing operations and results of operations.*" on page 30.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to trends and uncertainties identified above in "*Significant Factors Affecting our Results of Operations*" and as described in "*Risk Factors*" beginning on page 29. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship Between Cost and Revenue

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 29, 147 and 268, 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 segment.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices

Changes in revenue in the last three Fiscals are as described in “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Fiscal 2021 compared to Fiscal 2020*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Fiscal 2020 compared to Fiscal 2019*” above on pages 275 and 276, respectively

Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the “*Risk Factors*” and “*Industry*” on pages 29 and 103, respectively, there are no significant economic change that materially affected or are likely to affect our income from continuing operations.

Significant Developments after March 31, 2021

Except as disclosed in this Draft Red Herring Prospectus, there are no significant developments or circumstances that have occurred post March 31, 2021, which has materially and adversely affected, or are likely to affect within the next twelve months (a) our trading or profitability, (b) the value of our assets, or (c) our ability to pay our liabilities.

FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, see “*Our Management- Borrowing Powers*” on page 195. Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including effecting changes in our Company’s capital structure, shareholding pattern, constitutional documents and Board’s composition.

The details of the indebtedness of our Company (on a consolidated basis) as on March 31, 2021 is provided below:

(in ₹ million, unless stated otherwise)

Category of borrowing	Sanctioned amount	Outstanding amount
<i>Fund based borrowings of our Company</i>		
Secured		
Term loans	4,045.10	3,521.13
Cash credit/Working capital demand loans	2,922.00	1,385.67
Total secured borrowings (A)	6,967.10	4,906.80
Unsecured		
Interest-free loans	101.50	101.47
Term loans	48.50	48.50
Fixed deposits	600.00	398.28
Vehicle loans	3.20	0.33
ICD	250.00	178.40
Total unsecured borrowings (B)	1,003.20	726.98
Total fund based borrowings (C = A + B)	7,970.30	5,633.78
<i>Non-Fund based borrowings of our Company</i>		
Secured		
Bank Guarantee	292.50**	196.34#
Letter of credit	960.00	316.27
Credit exposure	167.50	23.85
Total non-fund based borrowings(D)	1,420.00	536.46
Total consolidated borrowings (C+D)	9,390.30	6,170.24

* As certified by Verma Mehta & Associates, Chartered Accountants, pursuant to their certificate dated September 24, 2021.

** Excludes facilities aggregating to ₹ 55.54 million which are fully backed against fixed deposits.

Includes outstanding amount aggregating to ₹ 55.54 million which are fully backed against fixed deposits.

For further details of our outstanding borrowings as on March 31, 2021, see “*Financial Information*” on page 215.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

- Interest:** While one term loan facility availed by us has a fixed rate of interest at 3% per annum, all our other financing arrangements typically have floating rates of interest linked to a base rate, as specified by respective lenders.
- Penal Interest:** The terms of certain of our borrowings prescribe penalties for non-compliance of certain obligations by us, *inter alia*, delay in the repayment of principal instalment, interest, charges or other monies due on the facility, non-submission of annual financial statements and other irregularities as specified in the terms of sanction. The default interest payable on our borrowings typically ranges from 1% to 12% per annum. Additional interest as specified by the lenders may be charged in case of continuation of the non-compliance beyond a certain period.

3. **Pre-payment penalty:** The terms of the borrowings availed by us typically have pre-payment provisions, which allow for pre-payment of the outstanding amount on giving notice to the concerned lender, subject to the payment of prepayment penalty in accordance with the relevant financing documentation. Certain of our borrowing arrangements provide for the imposition of pre-payment penalty at the discretion of the lender. The pre-payment premium, where specified in the relevant financing documentation, is typically between 1% and 2% per annum on the sanctioned amount or outstanding amount.
4. **Validity/Tenor:** The working capital facilities availed by us are typically available for a period of 30 days to 12 months, subject to periodic review by the relevant lender. The tenor of the term loans availed by us are typically range from two years to 10 years. Further, some of the non-fund based facilities availed by us have a validity typically between 12 months to three years.
5. **Security:** In terms of our secured borrowings, we are required to *inter alia*:
 - (a) create charge on movable fixed assets, book debts and current assets, both present and future;
 - (b) create charge on immovable fixed assets;
 - (c) furnish guarantees by certain members of the Promoter Group; and
 - (d) furnish bank guarantees in the name of the Company.

Further, our Company has extended guarantees in relation to certain borrowings of our Subsidiaries.

Please note that the abovementioned list is indicative and there may be additional securities created under various borrowing arrangements by us.

6. **Repayment:** The working capital facilities are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans are typically repayable in structured instalments.
7. **Key Covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as following:
 - (a) effecting any change in the constitution/composition of the Company or permit any transfer of controlling interest or effecting any change in the management set-up;
 - (b) effecting any change in our ownership or capital structure where the shareholding of the existing promoter gets diluted below current levels or leads to dilution in controlling stake;
 - (c) making any amendments in the Memorandum of Association or Articles of Association;
 - (d) sell, assign, mortgage or otherwise dispose of any assets charged by the lender;
 - (e) formulate any scheme of amalgamation or reconstruction or effecting any mergers and acquisitions;
 - (f) failure to pay any amount due and payable to lender, including instalments, servicing of interest on the facilities availed by the Company;
 - (g) declare dividends for any year except out of profits relating to that year;
 - (h) invest by way of share capital in or lend or advance fund to or place deposits with other concern, including group concerns, with the exception of normal trade credit or security deposit in the ordinary course of business or advances to employees;
 - (i) undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company, including group companies.
8. **Events of default:** The borrowing arrangements entered into by us, contain standard events of default, including:
 - (a) default in payment of interest, other charges or instalment amount due or repayment of principal amounts;
 - (b) non-compliance with ownership, financial, performance and/or security covenants;
 - (c) any change of ownership, control and/or management of the Company;
 - (d) material adverse change affecting the business or financial position of the Company;

- (e) utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;
- (f) any security furnished to secure obligations or liabilities of the Company to the lender is or becomes invalid or unenforceable;
- (g) cessation of business or threat of cessation of business of the Company;
- (h) expropriation, nationalisation or compulsory acquisition by authority of government;
- (i) initiation of winding-up or liquidation proceedings of the Company; and
- (j) cross defaults across other facilities of the Company or its affiliates or associated companies.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. ***Consequences of occurrence of events of default:*** Upon the occurrence of events of default, our lenders may:

- (a) Accelerate the maturity of facility and declare all amounts outstanding in respect of facility due and payable immediately;
- (b) Recall advance and take any recovery action;
- (c) Enforce security or change any of the terms of sanction;
- (d) Impose penal interest on the principal amount; and
- (e) Appoint a nominee director on board of the Company.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters; (ii) actions by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoters; (iii) claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors, or Promoters; and (iv) litigations or arbitration proceedings involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).

In accordance with the Materiality Policy, all pending litigation or arbitration proceedings (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in point (i) to (iii) above):

A. involving our Company and Subsidiaries:

- i. where the aggregate monetary claim made by or against our Company and/or our Subsidiaries (individually or in aggregate), in any such pending litigation or arbitration proceeding equal to or in excess of (i) five percent of the consolidated profit after tax of our Company; or (ii) five percent of the consolidated net worth of our Company, whichever is higher, in the most recently completed Fiscal as per the Restated Consolidated Financial Statements.*

The consolidated profit after tax of our Company for Fiscal 2021 as per the Restated Consolidated Financial Statements was ₹ 271.55 million while the consolidated net worth of our Company for Fiscal 2021 was ₹ 2,134.87 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company and Subsidiaries (individually or in aggregate), in any such pending litigation or arbitration proceeding equal to or in excess of ₹ 106.74 million (being five percent of our consolidated net worth in Fiscal 2021 as per the Restated Consolidated Financial Statements); or

- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company,*

have been considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.

B. involving our Promoters and Directors, the outcome of which could 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, have been considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on March 31, 2021 was ₹ 3,812.49 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 190.62 million as on March 31, 2021.

For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoters, Directors or Group Companies from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, or such Subsidiary, Promoter, Director or Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding litigation proceedings against our Company

(i) Criminal proceedings

1. Prasad Baburao Tanpure and others (“**Petitioners**”) filed a criminal writ petition against our Company before the High Court of Bombay at Aurangabad (“**High Court**”) *inter alia* challenging the validity of an order dated April 15, 2015 passed by the Judicial Magistrate First Class, Rahuri (“**Order 1**”) and an order dated May 4, 2019 passed by the Additional Sessions Judge, Kopergaon (“**Order 2**”) in relation to a criminal complaint filed by our Company, which is currently pending before the Judicial Magistrate First Class, Kopergaon (“**Proceedings**”). Our Company had filed the complaint under section 138 of the Negotiable Instruments Act, 1881 (“**Complaint**”) for dishonour of certain cheques issued by a company in which the Petitioners were directors. The Judicial Magistrate First Class, Rahuri allowed the Complaint and issued process against the Petitioners by Order 1. The Petitioners challenged Order 1 by filing a criminal revision petition which was rejected by the Additional Sessions Judge, Kopergaon by Order 2. Consequently, the Petitioners filed this criminal writ petition seeking direction for quashing and setting aside Order 1 and Order 2 and granting interim stay on the Proceedings. The matter is currently pending.
2. Bhimashi Yamanappa Waddar (the “**Complainant**”) filed a first information report before the Mahalingpur police station, Bagalkot, against an employee of the Company (“**Accused**”) alleging negligence resulting in injuries and death of a worker due to a fire accident in one of the factories of the Company. Consequently, the Police Sub-Inspector, Mahalingpur police station filed a charge sheet against the Accused alleging commission of offences under sections 304 A of the IPC before the Civil Judge (Junior Division) and Judicial Magistrate First Class, Mudhol. The matter is currently pending.

(ii) Actions by statutory or regulatory authorities

Ashok Kajale and others (“**Applicants**”) filed an application before the National Green Tribunal, Western Zone Bench, Pune (“**Tribunal**”) against us, the Maharashtra Pollution Control Board, the Central Pollution Control Board (“**CPCB**”) and the District Collector, Ahmednagar. The Applicants alleged pollution and contamination of the Godavari river and surrounding water sources, including various wells near the Sakarwadi Manufacturing Facility due to discharge of hazardous chemicals by our Company. The Tribunal by its order dated May 19, 2015 (“**Order 1**”) passed the following directions i) CPCB to prepare a ground water remediation action plan; ii) such plan to be executed through the District Collector by constituting a local level committee to assess the damages; iii) chemical plants of the Company to be closed till separate ETP and adequate facilities are in place; iv) Company to be liable to pay and bear cost of remediation of ground water and land; v) Company to pay the Applicants a compensation of ₹ 0.2 million towards each of their polluted wells, amongst others, in accordance with the provisions of section 14, 15, 19 and 20 of the National Green Tribunal Act, 2010, as amended. The Applicants filed an application before the Tribunal for the execution of the Order 1. The Tribunal by its order dated August 1, 2017 (“**Order 2**”) directed that the entire project shall be completed on or before December 31, 2019. The Tribunal by its order dated September 13, 2017 noted compliance of a part of the directions issued under Order 1 in relation to payment of compensation to Applicants. Our Company filed an application before the Tribunal on December 30, 2019 seeking an extension until December 31, 2021 for complying with Order 2, which has been opposed by the Applicants. The matter is currently pending.

(iii) Other pending proceedings

As on the date of this Draft Red Herring Prospectus there are no pending proceedings pending against us, which have been considered material in accordance with the Materiality Policy.

(iv) ***Tax proceedings***

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Company as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	12	473.92
Indirect tax	9	1,155.16
Total	21	1,629.08

* To the extent quantified.

(b) ***Outstanding litigation proceedings by our Company***

(i) ***Criminal proceedings***

As of the date of this Draft Red Herring Prospectus, there are 233 cases filed by our Company under the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. The total amount involved in all these matters is of ₹ 198.32 million. These matters are currently pending.

(ii) ***Other pending proceedings***

Our Company has filed a suit (“**Suit**”) before the High Court of Bombay against M/s Spray Engineering Devices Limited (“**Defendants**”) alleging *inter alia* breach of performance obligations in relation to delays in setting up an energy efficient boiling house by the Defendants for our Company, quality issues and failure of the system provided to perform as per agreed capacity, in terms of a letter of intent entered into between our Company and the Defendants. Our Company has sought for damages aggregating to ₹ 3,091.68 million along with interest at the rate of 21% p.a. from the date of the Suit till payment and/or realization, on account of losses arising from such breaches. The matter is currently pending.

LITIGATION INVOLVING OUR SUBSIDIARIES

(a) ***Outstanding litigation proceedings against our Subsidiaries***

(i) ***Criminal proceedings***

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Subsidiaries.

(ii) ***Actions by statutory or regulatory authorities***

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

(iii) ***Other pending proceedings***

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings against our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) ***Claims related to direct and indirect taxes***

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes against any of our Subsidiaries.

(b) ***Outstanding litigation proceedings initiated by our Subsidiaries***

(i) ***Criminal proceedings***

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Subsidiaries.

(ii) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR DIRECTORS

(i) *Outstanding litigation proceedings against Directors*

(i) *Criminal proceedings against our Directors*

1. Suman Vitthal Lad and others (“**Petitioners**”) filed a criminal writ petition against the State of Maharashtra and others (“**Respondents**”) before the High Court of Bombay (“**High Court**”) seeking registration of an FIR against Samir Shantilal Somaiya, as a trustee of the K.J Somaiya Trust (“**Trust**”) and certain others, alleging inter alia failure to provide possession of properties in accordance with a slum rehabilitation development scheme proposed by Samir Shantilal Somaiya. The High Court by its order dated June 27, 2012 directed the Respondents to register a first information report (“**FIR**”), pursuant to which an FIR was registered in the Tilak Nagar police station against the trustees of the Trust, including Samir Shantilal Somaiya under sections 406, 420, 465, 467, 468, 471 and 120(b) of the Indian Penal Code, 1860. In accordance with the High Court’s directions, the ACP, Economic Offences Wing, Crime Branch, Housing Fraud Unit initiated investigation in the matter and a B summary report under Section 173 of The Code of Criminal Procedure, 1973 was filed before the Additional Chief Metropolitan Magistrate, Mumbai. The matter is currently pending.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Directors.

(iii) *Other pending proceedings*

An employee (“**Complainant**”) of K.J Somaiya College of Science and Commerce, Mumbai (“**KJS College**”) filed several complaints against an erstwhile principal of KJS College, alleging inter alia harassment, non-payment of arrears and wrongful termination of employment, before the management committee of KJS College and women cell of Mumbai University. Subsequently, a first information report (“**FIR**”) was registered by the Tilaknagar police station under sections 354, 354(A), 507 and 509 of the Indian Penal Code, 1860 against the erstwhile principal of KJS College. Thereafter, a complaint was also filed against Samir Shantilal Somaiya (in his current capacity as a president of Somaiya Vidyavihar) before the National Commission for Women for alleged irreparable harm and injury caused to the Complainant due to such wrongful termination. The matter is pending.

(iv) *Claims related to direct and indirect taxes*

Except the claims involving Samir Shantilal Somaiya mentioned below, there are no pending claims related to direct and indirect taxes against our Directors as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	1	0.26
Indirect tax	Nil	Nil
Total	1	0.26

* To the extent quantified.

(ii) *Outstanding litigation proceedings by our Directors*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR PROMOTERS

(a) *Outstanding litigation proceedings against our Promoters*

(i) *Criminal proceedings*

Except as disclosed above under “-Outstanding litigation proceedings against Directors”, there are no pending criminal proceedings against any of our Promoters as on date of this Draft Red Herring Prospectus.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Promoters.

(iii) *Other pending proceedings*

Except as disclosed above under “-Outstanding litigation proceedings against Directors”, there are no pending proceedings against our Promoters, which have been considered material by our Company in accordance with the Materiality Policy as on the date of this Draft Red Herring Prospectus.

(iv) *Claims related to direct and indirect taxes*

Except claims involving Samir Shantilal Somaiya mentioned above, there are no pending claims related to direct and indirect taxes against our Promoters as on the date of this Draft Red Herring Prospectus. For details, see “- Outstanding litigation proceedings against Directors - Claims related to direct and indirect taxes”.

(b) *Outstanding litigation proceedings by our Promoters*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Promoters.

(ii) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending proceedings initiated by any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, i.e., ₹ 190.62 million, as of March 31, 2021 (“**Material Creditors**”).

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2021 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	80	48.66
Dues to Material Creditor(s)	1	620.87
Dues to other creditors (including outstanding liabilities)	29,311	3,142.96
Total	29,392	3,812.49

For details of outstanding dues to the Material Creditors (referenced above) as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see <https://godavaribiorefineries.com/our-company-investors>.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.godavaribiorefineries.com would be doing so at their own risk.

MATERIAL DEVELOPMENTS

Other than as stated in “*Management's Discussion and Analysis of Financial Position and Results of Operations*” beginning on page 268, there are no significant developments or circumstances that have occurred post March 31, 2021, which has materially and adversely affected, or are likely to affect within the next twelve months (a) our trading or profitability, (b) the value of our assets, or (c) our ability to pay our liabilities.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations, and approvals from relevant governmental, statutory and regulatory authorities in India, which are necessary for undertaking our Company's business. We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 166. For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 295 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 175.

Material approvals in relation to our business and operations

1. Factory licenses issued by the Directorate of Industrial Safety and Health, Government of Maharashtra and by the Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka, respectively under the Factories Act, 1948, for our Manufacturing Facilities.
2. License to import and/or store petroleum at our Manufacturing Facilities issued under the Petroleum Act, 1934 and the relevant rules thereunder.
3. License to manufacture acetic acid at our Sakarwadi Manufacturing Facility issued under the Food Safety and Standards Act, 2006.
4. Licence for ISI mark for acetic acid at our Sakarwadi Manufacturing Facility issued under the Bureau of Indian Standards, 2016.
5. Export Oriented Units scheme under the Special Economic Zones Act, 2005 at our Sakarwadi Manufacturing Facility.
6. No-objection certificate from the Chief Fire Officer of the Fire and Emergency Services Department, Hubballi Zone, Government of Karnataka under The Karnataka Fire Force Act, 1964 and no-objection certificate from the Director, Maharashtra Fire Service under Maharashtra Fire Prevention and Life Safety Measures Act, 2006.
7. Consent issued by the Maharashtra Pollution Control Board to operate, as applicable under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016 and consent issued by the Karnataka State Pollution Control Board to establish or operate, as applicable under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.
8. Certificate of Importer-Exporter Code issued by the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company to carry out our export and import operations.
9. Certificate of verification for weights or measures under the Legal Metrology Act, 2009, Maharashtra Legal Metrology (Enforcement) Rules, 2011 and the Karnataka Legal Metrology (Enforcement) Rules, 2011, issued by the Inspector of Legal Metrology, and the Assistant Controller of Legal Metrology, Department of Legal Metrology, Bagalkot, Government of Karnataka, for our Manufacturing Facilities.
10. Licence issued by Joint Commissioner (Nasik Division) Food and Drug Administration, State of Maharashtra to manufacture sanitizers at our Sakarwadi Manufacturing Facility.
11. Certificate for use of a boiler issued by the Office of the Joint Director, Government of Maharashtra under the Maharashtra Boilers Rules, 1962 to enable our Company to operate boilers at our Sakarwadi Manufacturing Facility and certificate for use of a boiler issued by the Deputy Director of Boilers, Belagavi

Division, Belagavi under the Indian Boiler Act, 1923 to enable our Company to operate boilers at our Sameerwadi Manufacturing Facility.

12. Narcotic drug and psychotropic substances licence issued by the Narcotic Control Bureau under the Narcotics Act, 1985 at our Sakarwadi Manufacturing Facility.
13. License to import and store Class A petroleum at our Sameerwadi Manufacturing Facility issued by the Controller of Explosives, Government of India.
14. Licence to manufacture sugar from sugarcane issued by the Under Secretary to Government (Sugar), Commerce and Industries Department, Vikasa Soudha, Bengaluru, Government of Karnataka under the Karnataka Sugar (Regulation of Production) Order, 1975 at our Sameerwadi Manufacturing Facility.
15. Permission was granted to our Company at our Sameerwadi Manufacturing Facility for lifting of 97.70 McFt water per annum from Ghatprabha River for the period of five years.
16. Licence for storage and wholesale of food products issued by the Designated Officer of the Food Safety and Standards Department, Bagalkot at our Sameerwadi Manufacturing Facility under the Food Safety and Standards Act, 2006.
17. Licence to grant no objection certification for enhancement of sulphur from 100 M.T. to 300 M.T. for storage issued by the Deputy Commissioner Bagalkot at our Sameerwadi Manufacturing Facility.
18. Permission to manufacture ethanol hand sanitizer issued by the Drugs Control Department, Government of Karnataka at our Sameerwadi Manufacturing Facility under Drugs and Cosmetics Act, 1940 and rules thereunder.
19. License to manufacture approved drugs issued by the Drugs Controller and Licensing Authority, Drugs Control Department, Government of Karnataka at our Sameerwadi Manufacturing Facility under the Drugs and Cosmetics Act, 1940 and rules thereunder.
20. License to manufacture of ethyl lactate and wax issued by the Food Safety and Standards Authority of India, Government of Karnataka at our Sameerwadi Manufacturing Facility under FSS Act, 2006.
21. Environmental clearance from the Ministry of Environment, Forest and Climate Change in relation to the expansion of our Manufacturing Facilities.

Material labour/employment related approvals

1. Certificates of registration under the shops and establishment legislations applicable in the states in which our Registered and Corporate Office and other offices are located.
2. Registration for employees' insurance issued by the Sub-Regional Office, Employees State Insurance Corporation of different states in India under the Employees' State Insurance Act, 1948.
3. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
4. Registration as a principal employer under the Contract Labor (Regulation & Abolition) Act, 1970 issued by relevant registering officer with respect to the Manufacturing Facilities.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registration issued by the Government of India under the Goods and Service Tax Act, 2017.

Intellectual property related approvals

For details of the intellectual property held by our Company, see “*Our Business – Intellectual property rights*” on page 164.

Material approvals which have expired for which renewal applications have been made

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / date of renewal application
License for manufacture of sugar from sugarcane by vacuum pan process with respect to the Sameerwadi Manufacturing Facility	Secretary to Government of Karnataka, Commerce and Industries Department	May 24, 2021

Material approval which has expired and for which renewal application is yet to be made

Nature of approval	Issuing authority
Authorization under Rule 6(2) of the Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2015 with respect to the Sameerwadi Manufacturing Facility	Karnataka State Pollution Control Board

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated June 5, 2021, and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated July 5, 2021.

Our Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to their resolutions dated September 8, 2021 and September 24, 2021, respectively

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholder	Offered Shares	Date of Selling Shareholders' consent letter	Date of board resolution
1.	Somaiya Agencies Private Limited	Up to 500,000 Equity Shares aggregating up to ₹ [●] million	August 4, 2021	August 4, 2021
2.	Samir Shantilal Somaiya	Up to 500,000 Equity Shares aggregating up to ₹ [●] million	August 4, 2021	Not Applicable
3.	Lakshmiwadi Mines and Minerals Private Limited	Up to 200,000 Equity Shares aggregating up to ₹ [●] million	August 4, 2021	August 4, 2021
4.	Mandala Capital AG Limited	Up to 4,926,983 Equity Shares aggregating up to ₹ [●] million	September 7, 2021	June 15, 2021
5.	Filmedia Communication Systems Private Limited	Up to 300,000 Equity Shares aggregating up to ₹ [●] million	August 4, 2021	August 4, 2021
6.	Somaiya Properties and Investments Private Limited	Up to 131,295 Equity Shares aggregating up to ₹ [●] million	August 4, 2021	August 4, 2021

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group and the Selling Shareholders are not prohibited from accessing the capital markets and are not 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 the Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable.

Directors associated with the Securities Market

None of the Directors of our Company 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 ₹3 crore, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹15 crore, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹1 crore in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- No change in business activity is indicated by our present name and there has not been any change in the business activities of our Company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2021, 2020 and 2019 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Restated net tangible assets ¹	2,136.38	1,702.95	1,016.87
Restated monetary assets ²	496.64	440.55	398.33
Monetary assets, as a percentage of net tangible assets, as restated	23.25%	25.87%	39.17%
Operating profit/ (loss), as restated ³	1,104.89	583.79	821.69
Net worth, as restated ⁴	2,134.87	1,866.97	1,173.65

¹. 'Net tangible assets' means the sum of all net assets (arrived at by deducting non-current liabilities, current liabilities, land revaluation reserve and capital redemption reserve from total assets) of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.

². 'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon).

³. 'Operating Profit' has been calculated as Profit before tax, finance costs added back and deducting other incomes.

⁴. 'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets including revaluation reserve, capital redemption reserve, write back of depreciation and amalgamation.

Our Company has operating profits in each of Fiscal 2021, 2020 and 2019 in terms of our Restated Consolidated Financial Statements. Our average operating profit for Fiscals 2021, 2020 and 2019 is ₹836.79 million.

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:

- (a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- (c) None of our Company, our Promoters or Directors is a Wilful Defaulter.
- (d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- (e) There are no convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;
- (f) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each Selling Shareholder, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, EQUIRUS CAPITAL PRIVATE LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS (ACTING SEVERALLY) DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

DISCLAIMER CLAUSE OF THE SELLING SHAREHOLDERS

THE SELLING SHAREHOLDERS WILL BE SEVERALLY RESPONSIBLE FOR THE RESPECTIVE STATEMENTS CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.godavaribiorefineries.com, would be doing so at his or her own risk. Each of the Selling Shareholders, its respective directors, affiliates, associates and officers accept/undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its Offered Shares.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors

in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or the member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and its associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the 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 shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the 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.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where

required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, legal counsel to the Offer as to Indian law, legal counsel to the Investor Selling Shareholder as to Indian law, legal counsel to the Promoter Selling Shareholders and the Promoter Group Selling Shareholders as to Indian law, Anupam Kumar Shukla, Chartered Engineers, Banker to our Company, the BRLMs, the Registrar to the Offer, Frost & Sullivan have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated September 8, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated September 24, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent from Anupam Kumar Shukla, Chartered Engineers to include their name in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) and 26(5) of the Companies Act in their capacity as the independent chartered engineer and in respect of the certificate dated September 20, 2021 issued by them in connection with the expansion of the sugarcane crushing capacity and the establishment of the potash unit at the Sameerwadi Manufacturing Facility and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public issue during the five years preceding the date of this Draft Red Herring Prospectus. Further, during the five years immediately preceding the date of this Draft Red Herring Prospectus, our Company has made separate allotments of 685,286 Equity Shares on March 31, 2018, 693,000 Equity Shares on September 26, 2018, 45,275 Equity Shares on February 15, 2019, 2,402,303 Equity Shares on July 29, 2019, 1,152,769 Equity Shares on August 30, 2019, and 12,043 Equity Shares on September 27, 2019 respectively, through rights issues. For further details in relation to these allotments, see “*Capital Structure*” on page 78.

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, the listed Group Companies, Subsidiaries and associates of our Company

The securities of our Subsidiaries are not currently listed on any stock exchange. For details in relation to the capital issuances by our Company in the last three years, see “*Capital Structure-Notes to the Capital Structure*” at page 78.

Pentokey Organy (India) Limited, our listed Group Company, has not undertaken any capital issuances in the three years immediately preceding the date of this Draft Red Herring Prospectus. None of our other Group Companies are listed on any stock exchange.

As on the date of this Draft Red Herring Prospectus, we do not have any associates.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue since its incorporation. Further, during the five years immediately preceding the date of this Draft Red Herring Prospectus, our Company has pursuant to rights issues made separate allotments of 685,286 Equity Shares on March 31, 2018, 693,000 Equity Shares on September 26, 2018, 45,275 Equity Shares on February 15, 2019, 2,402,303 Equity Shares on July 29, 2019, 1,152,769 Equity Shares on August 30, 2019 and 12,043 Equity Shares on September 27, 2019 respectively. For further details in relation to these allotments, see “*Capital Structure*” on page 78.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Equirus Capital Private Limited

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Antony Waste Handling Cell Limited	2,999.85	315.00	January 01, 2021	436.10	-10.27% [-2.74%]	-23.21% [+4.80%]	2.14% [12.34%]
2.	G R Infrastructure Limited	9,623.34	837.00	July 19, 2021	1,715.85	90.82% [5.47%]	N.A.	N.A.
3.	Rolex Rings Limited	7,310.00	900.00	August 9, 2021	1,250.00	22.28% [6.79%]	N.A.	N.A.
4.	Krsnaa Diagnostics Limited	12,133.35	954.00*	August 16, 2021	1,005.55	-12.45% [4.93%]	N.A.	N.A.

* A discount of ₹ 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.

Source: www.nseindia.com for price information and prospectus for issue details

Notes:

- The S&P CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
- N.A. (Not Applicable) – Period not completed.

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	3	29,066.69	-	-	1	1	-	1	-	-	-	-	-	-
2020 - 2021	1	2,999.85	-	-	1	-	-	-	-	-	-	-	-	1
2019 - 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of this Draft Red Herring Prospectus.

The information for each of the financial years is based on issues listed during such financial year.

2. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	Krsnaa Diagnostics Limited ⁹	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	Not Applicable	Not Applicable
2.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	Not Applicable	Not Applicable
3.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	92.54% [5.87%]	Not Applicable	Not Applicable
4.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	Not Applicable	Not Applicable
5.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	Not Applicable	Not Applicable
6.	Shyam Metals and Energy Limited ⁷	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	22.65% [11.22%]	Not Applicable
7.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	93.40% [11.22%]	Not Applicable
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
9.	Anupam Rasayan India Limited ⁸	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49% [8.23%]	37.12% [20.87%]
10.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68% [6.94%]	177.57% [17.88%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. Opening price information as disclosed on the website of NSE.
2. Change in closing price over the issue/offer price as disclosed on NSE.
3. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing

date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.

6. Restricted to last 10 issues.
7. A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ 15 per Equity Share.
8. A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
9. A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
10. Not Applicable – Period not completed

Summary statement of price information of past public issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th 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%
2021-2022	8	1,37,495.07	-	-	1	2	3	2	-	-	-	-	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

**Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million

Website for track record of the Book Running Lead Managers

Name	Website
Equirus Capital Private Limited	www.equirus.com
JM Financial Limited	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay in such other manner as may be specified under applicable law.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

We shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of our Board – Stakeholders' Relationship Committee*" on page 202.

Our Company has also appointed Swarna Gunware, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" beginning on page 70.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

None of our Subsidiaries are listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION XI – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act 2013, 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 and an Offer for Sale by the Selling Shareholders.

Except for (a) listing fees and expenses in relation to product or corporate advertisements of our Company, i.e., any corporate advertisements consistent with the past practices of our Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer) which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all other Offer expenses will be shared upon successful completion of the Offer between our Company and the Selling Shareholders on a pro-rata basis in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by each of the Selling Shareholders in the Offer for Sale, respectively and in accordance with applicable law.

Expenses relating to the Offer shall be paid by our Company in the first instance. Each Selling Shareholder severally and not jointly shall reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of such Selling Shareholder in the manner agreed to between our Company and such Selling Shareholder.

Ranking of the Equity Shares

The Equity Shares being Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, 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 331.

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. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 214 and 331, respectively.

Face Value, Offer Price and Price Band

The face value of the Equity Shares is ₹10. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Price Band and minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs and the Selling Shareholders, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions 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. Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, the Offer Price shall be determined by our Company in consultation with the BRLMs and the Selling Shareholders, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or ‘e-voting’;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see “*Main Provisions of the Articles of Association*” on page 331.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated August 23, 2016, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated July 15, 2019, amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For further details, see “*Offer Procedure*” beginning on page 313.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See “– Bid/Offer Programme” on page 306.

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 dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

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

*Our Company may, in consultation with the BRLMs and the Selling Shareholders, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our 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 period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

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 nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum, whichever is higher, 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.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST).
- (ii) on the Bid/Offer Closing Date*:
 - (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
 - (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

*UPI mandate end time and date shall be at 12.00 pm on [●].

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006, issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any

member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Subject to Investor Selling Shareholder approval, if required, under the terms of the SHA, our Company, in consultation with the BRLMs and the Selling Shareholders, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs and the Selling Shareholders, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of Bids 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/DIL1/CIR/P/2021/47 dated March 31, 2021 and the Selling Shareholders (if applicable and to the extent of their respective Offered Shares) shall grant necessary approval in relation to the same, if applicable. If there is a delay beyond four days or such other time as may be prescribed after our Company becomes liable to pay the amount, our Company and our Director who are officers in default, shall pay interest at the rate of fifteen percent per annum. If there is a delay beyond the prescribed time, the Selling Shareholders (only if such delay is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder) shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. Provided that, none of the Selling Shareholders shall be liable or responsible to pay any interest or expenses unless such delay is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment shall first be made towards 90% of the Fresh Issue. However, after receipt of minimum subscription of 90% of the Fresh Issue, Allotment shall be made in the following order: (i) First towards the entire portion of the Equity Shares offered by the Investor Selling Shareholder ; (ii) Secondly towards the entire portion of the Equity Shares offered by the Promoter Selling Shareholders; (iii) Thirdly towards the entire portion of the Equity Shares offered by the Promoter Group Selling Shareholders; and (iv) Fourthly towards the remaining Equity Shares in the Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

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 Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 78 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. Please see "*Main Provisions of the Articles of Association*" at page 331.

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

Our Company and/or any of the Selling Shareholders (severally), in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer, for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. 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 under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,700 million by our Company and an Offer of Sale of up to 6,558,278 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs and Selling Shareholders, may consider a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company (subject to Investor Selling Shareholder approval, if required, under the terms of the SHA) in consultation with the BRLMs and the Selling Shareholders, and the Pre-IPO Placement will be completed 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.

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation* ⁽²⁾	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors .	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	Proportionate	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 313.
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	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
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, 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 recategorized as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* Assuming full subscription in the Offer

⁽¹⁾ Our Company may, in consultation with the BRLMs and the Selling Shareholders, 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 313.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

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, in consultation with the BRLMs and the Selling Shareholders 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 304.

- ⁽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.*

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.

Additionally, Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act 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 Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs 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 Investors (“**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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular 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, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four Working Days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs and the Selling Shareholders 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Selling Shareholders and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors 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 RIIs 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 RIIs 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 RII 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 RII 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. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

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 Retail Individual Investors 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 Investors 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 Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors 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.

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 Investors, Retail Individual Investors 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.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside

the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors 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 RIIs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, 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 RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Banks and the bankers to an issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular 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.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by the 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

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 BRLM 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, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for 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, neither the BRLMs nor its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of

the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Issue Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) Neither the BRLMs or any associate of the BRLMs ((except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see the General Information Document.

Bids by 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 and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 330.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In

case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 and the Selling Shareholders, 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 Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

For details of investment by FPIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 330. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, 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 SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I AIF and Category II AIF 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 in consultation with BRLMs and the Selling Shareholders, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLMs and the Selling Shareholders, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of

such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or 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 in consultation with BRLMs and the Selling Shareholders, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

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, in consultation with BRLMs and the Selling Shareholders, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs and the Selling Shareholders, 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 in consultation with the BRLMs and the Selling Shareholders, 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, in consultation with the BRLMs and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or 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 [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] editions of [●], a 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 Investors 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 Investors 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 Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors 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. Retail Individual Investors 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. Retail Individual Investors 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. 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. RIIs 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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. 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;
13. 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;
14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. 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;

16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. 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;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
22. 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;
23. 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;
24. 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;
25. In case of QIBs and NIIs, 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>);
26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
27. Retail Individual Investors 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 Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
28. Retail Individual Investors 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;
29. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to

authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

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 on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
16. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Investors;

17. Do not submit the General Index Register (GIR) number instead of the PAN;
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor 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;
26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. Anchor Investors shall not bid through the ASBA Process;
29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
31. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 71.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 69. For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

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 Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

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

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated August 23, 2016, among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated July 15, 2019, among CDSL, our Company 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, in consultation with the BRLMs and the Selling Shareholders, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides 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 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

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- (i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;
- (iii) that it shall provide appropriate instructions and 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 its portion of the Offered Shares;
- (iv) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (v) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

Utilisation of Offer Proceeds

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 Net 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 1% 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 ₹1.00 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 ₹5.00 million or with both.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

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, 1991, 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 responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**Consolidated FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see “*Offer Procedure*” on page 313.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 318.

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, modification, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

SECTION X - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Articles of Association of the Godavari Biorefineries Limited comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall prevail. However, Part II shall automatically terminate and cease to have any force and effect from the date of receipt of final approval for listing and trading of equity shares of our Company on the recognized stock exchanges in India subsequent to an initial public offering of the equity shares of our Company without any further action by our Company or by our Shareholders and Part I shall continue to be in effect.

PART I

I. PRELIMINARY

1. APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

The Regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.

II. DEFINITIONS AND INTERPRETATIONS

2. In these Articles:

- 2.1 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

“**Act**” means the Indian Companies Act, 1913, Companies Act, 1956, and the Companies Act, 2013 (as the case may be and to the extent applicable), the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

“**Affiliate of Samir S. Somaiya**” means:

- (i) His spouse, his Hindu Undivided Family, his lineal and blood descendants, spouses of such lineal and blood descendants and children and grand-children including step or adoptive; or
- (ii) Any company, trust or entity Controlled by Samir S. Somaiya;

“**Alternate Director**” shall have the meaning ascribed to such term in Article 128;

“**Articles**” shall mean the articles of association of the Company as amended from time to time;

“**Auditors**” shall mean and include those persons appointed as such for the time being by the Company;

“**Board of Directors**” or “**Board**” shall mean the board of directors of the Company, as constituted from time to time;

“**Chairman**” means the Chairman of the Board of Directors for the time being of the Company;

“Company” shall mean Godavari Biorefineries Limited, a public limited company incorporated under the Indian Companies Act, 1913 and having its registered office at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai 400 001;

“Director” means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;

“Equity Share Capital” means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act, as amended from time to time;

“Equity Shares” shall mean the equity shares of the Company having a face value of INR 10 (Indian Rupees Ten) each;

“General Meetings” shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;

“Governmental Authority” means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

“Key Managerial Personnel” in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer, such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a key managerial personnel;

“Law” shall mean:

- (i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and
- (ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) of the relevant jurisdiction of such Persons;

“Lien” means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

“Member” means a member of the Company within the meaning of clause (55) of Section 2 of the Act, as amended from time to time;

“Memorandum of Association” shall mean the memorandum of association of the Company, (as from time to time amended, modified or supplemented);

“Original Director” shall have the meaning ascribed to such term in Article 128;

“Person” shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, body of individuals (whether incorporated or not), unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political

subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

“**Preference Share Capital**” means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time;

“**Samir S. Somaiya**” shall mean Mr. Samir Shantilal Somaiya together with his legal heirs, executors, administrators and permitted assigns;

“**Shares**” means a share in the Share Capital of the Company and includes stock.

“**Shareholder(s)**” shall mean such Person(s) who are holding Share(s) in the Company at any given time;

“**Share Capital**” means Equity Share Capital and Preference Share Capital; and

“**Somaiya Group**” means Samir S. Somaiya and his Affiliates, collectively.

- 2.2 The terms “writing” or “written” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.
- 2.3 The headings hereto shall not affect the construction hereof.
- 2.4 Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
- 2.5 Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

III. PUBLIC COMPANY

- 3. The Company is a public company as defined in clause (71) of Section 2 of the Act.

IV. NAME PROTECTION

- 4. The Company shall use the “Somaiya” name, brand, logo and/or marks, (“**Somaiya Marks**”) until such time that the Somaiya Group continues to collectively hold at least 25% of the Paid Up Equity Share Capital of the Company. The Company may use the Somaiya Marks where the aggregate shareholding of the Somaiya Group is below 25% of the Paid-Up Equity Share Capital of the Company only with the express permission in writing by Samir S. Somaiya or the Somaiya Group.

V. SHARE CAPITAL AND VARIATION OF RIGHTS

- 5. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
- 6. 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 Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so

allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

7. A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.
8. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:
 - (i) Equity Share Capital:
 - (a) with voting rights; and / or
 - (b) with differential rights as to dividend, voting or otherwise; and
 - (ii) Preference Share Capital
9. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.
10. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.
11. Subject to the provisions of the Section 55 of Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.
12. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.
13. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
14. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.
15. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.
16. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares

of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

17. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

VI. BUY-BACK OF SHARES

18. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.

VII. FURTHER ISSUE OF SHARES

19. (1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –
- (a) to the persons who, on the date specified under applicable law, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the paid-up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:
 - (i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days or such number of days as maybe prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right;
 - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.
 - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or
 - (c) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed in the Act and the rules thereunder:
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-article (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue. Nothing in such notice shall be deemed:
- (a) To extend the time within which the offer should be accepted; or

- (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

VIII. COMMISSION

- 20. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.
- 21. The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules made under sub-section (6) of Section 40 of the Act.
- 22. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

IX. SHARES AND SHARE CERTIFICATES

- 23. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or debenture holders resident in that country.
- 24. Subject to applicable Law, every Person whose name is entered as a Member in the register of members shall be entitled to receive:

- (i) one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or
 - (ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of INR 20 (Rupees Twenty)), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.
25. Every certificate shall be under the seal, if any, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon, shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.
26. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.
27. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 50 (Rupees Fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.
28. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.
29. If any Share stands in the names of 2 (two) or more persons, the person first named in the register of Members of the Company shall as regards voting at meetings of the Company, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's Articles.
30. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. Subject to the provisions of the Act, the Company shall issue Shares in dematerialized form.

X. CALLS ON SHARES

31. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.
32. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
33. A call may be revoked or postponed at the discretion of the Board.
34. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
35. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
36. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine.
37. The Board shall be at liberty to waive payment of any such interest wholly or in part.
38. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
39. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon not exceeding 12 (twelve) percent per annum, unless the company in general meeting shall direct otherwise, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.
40. Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

XI. DEMATERIALIZATION OF SHARES

41. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.
42. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form.

43. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
44. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.
45. All Shares held by a depository shall be dematerialized and shall be in a fungible form.
 - (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
 - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
46. Every person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.
47. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
48. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

XII. LIEN

49. The Company shall have a first and paramount Lien on: (a) every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and (b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company's Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.
50. The Company's Lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.

51. The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.
52. The Company may sell, in such manner as the Board thinks fit, any Shares or debenture on which the Company has a Lien, provided that no sale shall be made:
- (a) unless a sum in respect of which the Lien exists is presently payable;
 - (b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered Member or holder for the time being of the Share or debenture, or the Person entitled thereto by reason of his death or insolvency.
53. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.
54. The following shall apply to any sale of Shares referred to in Article 52 above:
- (a) The Board may authorise some person to transfer the Shares or debentures sold to the purchaser thereof;
 - (b) The purchaser shall be registered as the holder of the Shares or debentures that are the subject of any such transfer;
 - (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale;
 - (d) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable;
 - (e) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the person entitled to the Shares or debentures at the date of the sale.
55. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of Lien.

XIII. TRANSFER OF SHARES

56. The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
57. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a Person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

58. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;
 - (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of Shares.

Provided that the registration of 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.

59. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
60. 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.

XIV. TRANSMISSION OF SHARES

61. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other persons.
62. Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:
- (a) to be registered as holder of the Share; or
 - (b) to make such transfer of the Share as the deceased or insolvent Member could have made.
63. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.
64. If the person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
65. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.
66. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
67. A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety)

days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

XV. FORFEITURE OF SHARES

68. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
69. The notice issued under Article 68 shall:
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.
70. If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
71. A forfeited Share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
72. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
73. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the person to the Company in respect of the Shares.
74. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
75. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.
76. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed off.
77. The transferee shall there upon be registered as the holder of the Share.
78. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
79. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XVI. ALTERATION OF SHARE CAPITAL

80. Subject to these Articles and the provisions of Section 61 of the Act, the Company may, from time to time, by ordinary resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

81. Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:
- (a) consolidate or divide, all or any of the Share Capital into Shares of larger or smaller amount than its existing Shares;
 - (b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;
 - (c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or
 - (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.
82. Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:
- (a) the Share Capital;
 - (b) any capital redemption reserve account; or
 - (c) any Share premium account.

XVII. CONVERSION OF SHARES INTO STOCK

83. Where Shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit, *provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred that privilege or advantage; and
 - (c) such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words “Share”, “Shareholder” and “Member” in those Articles shall include “stock” and “stock holder” respectively.

XVIII. GENERAL MEETINGS

84. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.
85. All General Meetings, other than the annual General Meeting, shall be extra-ordinary General Meetings.

86. The Board may, whenever it thinks fit, call an extraordinary General Meeting.
87. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
88. A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto—
- (i) in the case of an annual General Meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and
 - (ii) in the case of any other General Meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Sections 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

XIX. PROCEEDINGS AT GENERAL MEETINGS

89. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
90. Notwithstanding anything contained elsewhere in these Articles, the Company:
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
 - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under clause (a) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, in the manner provided in that Section.

91. Directors may attend and speak at General Meetings, whether or not they are Shareholders.
92. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.
93. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for

holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.

94. If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of the Members to be chairperson of such General Meeting.
95. The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.
96. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 87 herein read with Section 100 of the Act shall stand cancelled.
97. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
98. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.
99. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
100. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
101. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
102. If at the adjourned meeting too a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
103. Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

XX. VOTING RIGHTS

104. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
 - (a) on a show of hands, every Member present in person shall have 1 (one) vote; and
 - (b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.
105. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
106. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than INR 500,000 (Rupees Five Lakh) or such higher amount as may be prescribed under applicable Law has been paid up.

107. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
108. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once. The Company shall also provide E-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.
109. In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.
110. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
111. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.
112. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.
113. Any such objection made in due time shall be referred to the chairperson of the General Meeting whose decision shall be final and conclusive.

XXI. PROXY

114. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.
115. The proxy shall not be entitled to vote except on a poll.
116. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
117. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
118. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

XXII. BOARD OF DIRECTORS

119. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of independent Directors on the Board of the

Company, as may be required in terms of the provisions of applicable Law. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

120. The subscribers to the Memorandum of Association are the first Directors of the Company.
121. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.
- (a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
 - (b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.
 - (c) A retiring Director shall be eligible for re-election.
 - (d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.
 - (e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
 - (f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.
122. **Somaiya Group nominee director:**
- (a) Subject to approval of this Article by the Shareholders by way of a special resolution post listing of the Equity Shares, until such time that the Somaiya Group continue to collectively hold at least 25% of the Paid Up Equity Share Capital of the Company, Samir S. Somaiya shall have the right but not an obligation to nominate one (1) Director on the Board (the “**Somaiya Group Nominee Director**”). The Somaiya Group Nominee Director shall be a Person whose office is not liable to be retired by rotation in accordance with the provisions of the Companies Act.
 - (b) In the event of a casual vacancy arising with respect to the position of the Somaiya Group Nominee Director for any reason, Samir S. Somaiya shall be entitled to nominate another person, in accordance with (a) above and applicable Law, as the Somaiya Group Nominee Director to fill such vacancy.

- (c) Samir S. Somaiya may remove the Somaiya Group Nominee Director by a written notice issued to the Company, following which the Company shall do such things as required under applicable Law to facilitate such removal.
123. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.
124. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
125. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.
126. A Director shall not be required to hold any qualification shares in the Company.
127. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.
128. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “**Original Director**”), subject to these Articles and the provisions of the Act, the Board may appoint another person (an “**Alternate Director**”) for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India
129. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.
130. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
131. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
132. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

133. The Company, may by ordinary resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.
134. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.
135. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.

XXIII. PROCEEDINGS OF THE BOARD

136. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.
137. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
138. A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act or such other gap for two meetings as may be provided under applicable laws.
139. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.
140. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
141. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
142. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors

or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

143. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:
- (a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;
 - (b) be accompanied by any relevant supporting papers; and
 - (c) be sent by: (i) courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.
144. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.
145. The Directors may from time to time elect a chairman who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.
146. In case of an equality of votes, the Chairperson of the Board, if any, shall have any second or casting vote.
147. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
148. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.
149. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
150. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.
151. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.
152. A committee may meet and adjourn as it thinks fit.
153. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The Chairperson of the committee, if any, shall have any second or casting vote in case of an equality of votes.
154. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures

already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

155. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.
156. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
157. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
158. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
159. Minutes of each meeting of the Board shall be circulated to all Directors.

XXIV. POWERS OF DIRECTORS

160. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
161. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
162. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.
163. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.

XXV. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL

164. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
165. Subject to the provisions of any contract between him and the Company, the managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the managing Director if he ceases to hold the office of Director for any cause.
166. Subject to the provisions of the Act, the managing Director/whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.
167. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer or any other Key Managerial Personnel so appointed may be removed by means of a resolution of the Board.
168. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
169. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and managing director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, chief executive officer, manager, company secretary or chief financial officer.

XXVI. BORROWING POWERS

170. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.
171. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.
172. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue

them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

XXVII. THE SEAL

- 173. The Board of Directors may select a seal for the Company and shall provide by resolution for the safe custody and affixing thereof.
- 174. The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable Law.

XXVIII. DIVIDENDS AND RESERVES

- 175. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.
- 176. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such dividends including interim dividends as appear to it to be justified by the profits of the Company.
- 177. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 178. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
- 179. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
- 180. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
- 181. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.
- 182. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct.
- 183. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
- 184. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.
- 185. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.
- 186. No dividend shall bear interest against the Company.

187. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company.
188. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable Law.

XXIX. CAPITALISATION OF PROFITS

189. The Company in a General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified under applicable law amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
190. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:
- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
 - (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
 - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
 - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
191. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
 - (b) generally do all acts and things required to give effect thereto.
192. The Board shall have power to:
- (a) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and
 - (b) authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions

of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

193. Any agreement made under such authority shall be effective and binding on such Members.

XXX. INDEMNITY

194. Subject to the provisions of the Act, every Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively.
195. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XXXI. ACCOUNTS

196. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.
197. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts or books or documents of the Company, or any of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.
198. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.
199. The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

XXXII. AUDIT

200. The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 of the Act.
201. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.
202. The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the

applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.

203. The Company shall also appoint a reputed accounting firm as the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

XXXIII.SECRECY

204. Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the managing Director will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.
205. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.
206. Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

XXXIV. WINDING UP

207. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

XXXV. GENERAL AUTHORITY

208. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

PART II

PART – A

1. CONSTITUTION OF THE COMPANY

- (a) The Regulations contained in Table ‘F’ of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.
- (b) The Regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act.

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

“**Act**” and any reference to any section or provision thereof respectively means and includes the Companies Act, 2013 to the extent notified and any reference to a section or provision of the said Act or such statutory modification or re-enactment thereof for the time being in force.

“**ADRs**” means American Depository Receipts representing ADSs.

“**ADR Facility**” means an ADR Facility established by the Company with a Depository Bank to hold any Shares as established pursuant to a Deposit Agreement and subsequently as amended or replaced from time to time.

“**ADSs**” means American Depository Shares, each of which represents a certain number of Shares.

“**Affiliate**” of Mr. Samir Somaiya means:

- (i) His spouse, his Hindu Undivided Family, his lineal and blood descendants, spouses of such lineal and blood descendants and children and grand children including step or adoptive; or
- (ii) Any company, trust or entity Controlled by MR. SOMIR S SOMAIYA.

“**Articles**” means these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.

“**Annual General Meeting**” means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act or any adjournment thereof.

“**Auditors**” means and includes those persons appointed as such for the time being by the Company.

“**Mr. Samir S Somaiya**” means Mr. Samir Shantilal Somaiya, S/o late Dr. Shantilal Karamshi Somaiya, an Indian citizen and which expression shall include his legal heirs, Executors, Administrators or such other individual as may be nominated in writing by the aforesaid Mr. Samir S. Somaiya.

“**Beneficial Owner**” shall mean beneficial owner as defined in Clause (a) of Sub- Section (1) of Section 2 of the Depositories Act, 1996.

“**The Board of Directors**” or “**the Board**” means a meeting of the Directors duly called and constituted or any committee of the Directors duly called and constituted, or as the case may be,

the Directors assembled at a Board meeting or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.

“Board Meeting” means a meeting of the Board and any adjournment thereof.

“Capital” or **“Share Capital”** means the share capital for the time being, raised or authorised to be raised, for the purposes of the Company.

“Chairman” shall mean Mr. Samir S Somaiya or such other person as is nominated or appointed in accordance with Article 41 and 46 herein below.

“Company” or **“this Company”** means GODAVARI BIOREFINERIES LIMITED or such other name changed in accordance with the Requirements of Law.

“Control” shall include the right to appoint a majority of the Directors or to control the management or policy decisions of a company or an entity, exercisable by a person or persons acting individually or jointly or in concert, directly or indirectly, including by virtue of their shareholding or management rights or members agreements or voting agreements or in any other manner and the terms **“Controlled”** and **“Controlling”** shall be construed accordingly;

“Debenture” shall include debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

“Depositories Act” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

“Depository” shall mean a Depository as defined in Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“Depository Bank” means the relevant depository bank and its domestic custodian bank for the purposes of the ADR Facility or GDR Facility or such other depository bank and its domestic custodian bank as is reasonably acceptable to the Board of the Company (and which will include the consent of the Somaiya Group Nominees).

“Director” means a member of the Board of Directors for the time being of the Company.

“Directors” means Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board Meeting (or acting by circular under the Articles) and shall include Alternate Directors and Directors nominated by MR. SAMIR S SOMAIYA and his Affiliates.

“Dividend” shall include interim dividends.

“Employee Stock Option Scheme” or **“ESOP”** shall mean a scheme under which the Company grants an option to any permissible class of persons giving to such persons, subject to applicable laws and regulations, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price.

“Equity Share Capital” shall mean all Share Capital, which is not Preference Share Capital.

“Executor” or **“Administrator”** means a person who has obtained Probate or Letters of Administration, as the case may be, from a Court of competent jurisdiction and shall include the holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

“Extraordinary General Meeting” means an Extraordinary General Meeting of the Members duly called and constituted in accordance with Section 100 of the Act and any adjournment thereof.

“Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

“GDRs” mean the registered Global Depositary Receipts, representing GDSs.

“GDR Facility” means a GDR Facility with the Depositary Bank established by the Company to hold the subscribed Shares and/or any Equity Shares and/or any other Securities, as the case may be, of any other shareholders, as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

“GDSs” mean the Global Depositary Shares, each of which represents a certain number of Shares.

“General Meeting” shall mean either an annual general meeting or an extraordinary general meeting of the Members convened and held in accordance with the Act, and any adjournment thereof.

“Government Authority” means:

- (a) the Government of India or of any relevant national government;
- (b) any political subdivision thereof, or local jurisdiction therein;
- (c) any instrumentality, board, commission, court, or agency of any thereof, however constituted; and
- (d) any association, organization, or institution of which any of the above is a member or to whose jurisdiction any thereof is subject or in whose activities any of the above is a participant.

“India” means the Republic of India.

“Legal Representative” means a person who in law represents the estate of a deceased Member.

“Member” means the duly registered holder from time to time of the Shares of the Company and the Beneficial Owner(s) and who is eligible under the applicable Requirements of Law to hold Shares of the Company or a beneficial interest therein.

“Modify” and **“Modification”** shall include the making of additions and/or omissions.

“Month” means a calendar month.

“Non-retiring Director/s” means Director(s) of the Board who are appointed pursuant to Articles 45.

“Office” means the Registered Office for the time being of the Company.

“Ordinary Resolution” or **“Special Resolution”** shall have the meaning assigned thereto respectively by Section 114 of the Act.

“Other Members” shall mean any other Members of the Company from time to time, not being Members of the Somaiya Group.

“Paid Up” in relation to the Share Capital of the Company includes any sum credited as paid-up.

“Persons” shall mean and include a private or public limited company, any corporation, partnerships, limited liability partnerships, an individual, sole proprietorship, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or a natural person in his capacity as trustee, executor, administrator or other legal representative, government or political subdivision or an agent or an instrumentality of any thereof.

“Preference Share Capital” shall have the meaning assigned thereto respectively by Section 43 of the Act.

“Registered Owner” means and includes a Depository whose name is entered as such in the records of the Company.

“Register of Members” means the Register of Members to be kept pursuant to Section 88 of the Act.

“The Registrar” means the Registrar of Companies, from time to time having jurisdiction over the Company.

“Related Party” means any person falling within the ambit of Section 188 of the Act.

“Requirements of Law” means, as to any Person, any law, statute, treaty, rule, regulation, circulars, notifications or a final determination of a competent Court or other Governmental Authority or of any regulatory authority in India or of any other relevant jurisdiction, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject or which is required to be complied with by any Person.

“SOMAIYA Group” means MR. SAMIR S SOMAIYA, and his Affiliates who are Members of the Company and the term “SOMAIYA Group Member” shall mean any one of them.

“SOMAIYA Group Nominee” or **“Somaiya Group Nominee Director”** means a Director/s nominated by /Mr. Samir S. Somaiya in accordance with Article 45 hereof;

“Seal” means the Common Seal for the time being of the Company.

“SEBI” means the Securities and Exchange Board of India and any successor thereof from time to time.

“Secretary” means a Company Secretary within the meaning of clause (c) of sub- section (1) of section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other administrative duties.

“Securities” shall have the meaning as defined in Section 2(h) of the Securities Contracts (Regulation) Act, 1956.

“Shares” shall mean the Equity Shares and any other shares issued by the Company, in accordance with Requirements of Law.

“Share Capital” or **“Capital”** shall mean the issued, subscribed and Paid-Up share capital of the Company.

“Share Equivalents” means any Debentures, Preference Shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (which approval shall include that of the Somaiya Group Nominees) (whether or not issued) pursuant to an ESOP) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Shares of the Company’s issued Share Capital;

“Subsidiary” shall have the meaning as the term “subsidiary” is defined under Section 2(87) of the Act.

“Sweat Equity Shares” will have the meaning as defined in Section 2(88) of the Act.

“Ordinary Resolution” and/or **“Special Resolution”** shall have the meaning assigned thereto respectively by Section 114 of the Act.

“Written” and **“In Writing”** includes printing, lithography and other modes of representing or reproducing words in a visible form.

“Year” means the calendar year.

B. CONSTRUCTION

- (i) Words importing the singular number include, where the context admits or requires, a plural number and vice versa. Words importing the masculine gender also include the feminine gender and vice versa.
- (ii) Article headings and the marginal notes are for convenience only and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and Sub- articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (iv) A reference to a statute or statutory provisions includes, to the extent applicable at any relevant time:
 - (a) that statute or statutory provision as from time to time is modified, re-enacted or replaced by any other statute or statutory provision; and
 - (b) any publicly notified subordinate legislation or regulation made under the relevant statute or statutory provision,
- (v) Where these Articles specifically require that a decision is to be made or a right exercised by a Member of the SOMAIYA Group, it shall be sufficient if that decision is taken by:
 - (a) MR. SAMIR S SOMAIYA (so long as he is a Member of the Company) and has the capacity to act; or
 - (b) any Person who is authorised to take such decisions on behalf of MR. SAMIR S SOMAIYA (so long as he is a Member of the Company) and which Person has been notified in writing to the Company. or
 - (c) failing (a) and (b) above, such Member of the SOMAIYA Group, who holds the majority of Shares of the Company.
- (vi) Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

3. NAME PROTECTION

- (a) The use of the name, “Somaiya” or “Godavari” and/or any variation thereof, if any, and/or their respective logos and/ or marks, if any, as part of the corporate name of the Company or the trade name of the Company or as a part of their logos or letterhead styling or stationery styling or packing styling or any hybrid variation thereof, and /or any other use thereof shall cease to be so used if at any time (or thereafter) the Somaiya Group’s holding falls below 51% of the shareholding of the Company and in which event, the Somaiya Group will be entitled by a written notice to the Company and the Other Members to call upon each of the Company and the Other Members to discontinue use of the word “Somaiya” or “Godavari” and/or any variation thereof and/or their respective logos and/or marks in any form or manner as a part of the Company’s corporate name or trade name or otherwise and to change the Company’s name in such a manner so as to delete the word “Somaiya” or “Godavari” and/or any variation thereof and/or their respective logos and/or its marks as appearing in the name of the Company or as a trade name or as a logo or as a mark and each of the Company and the Other Members shall within 90 days from the date of receipt of such notice:
 - (1) discontinue the use of the word “Somaiya” or “Godavari” and/or any variation thereof and/or their respective logos and/or marks as part of its corporate name and/or trade name.
 - (2) take all steps as may be necessary for the purpose of changing its corporate name and/or trade name of the Company as aforesaid.

- (3) undertake at all times that the Company's corporate name shall not comprise of any word or expression or mark or logo similar to the word "Somaiya" or "Godavari" and/or any variation thereof and/or their respective logos and/or its marks.
- (4) assign any and all trademarks, service marks, copyrights and designs bearing the name "Somaiya" or "Godavari" and/or any variation thereof and/or to such entity as is nominated by the Somaiya Group/, at no cost to the Somaiya Group.
- (b) The Members (including the Other Members) will at all times exercise their voting rights to carry out and implement the provisions of this Article.
- (c) Without prejudice to any provisions contained in the Act, (including Section 87 and 92(2) of the Act), the Members (including the Other Members) further agree of their own free will and volition that they will at all times exercise their voting rights to vote in favour of all resolutions, if required to be passed, to effectuate what is provided for by this Article.

4. SHARE CAPITAL

- (a) The Authorized Share Capital of the Company shall be of such amount and of such description as is stated in clause V in the Memorandum of Association of the Company and that the company shall have power to increase or reduce the share capital from time to time in accordance with the regulations of the Company and legislative provisions for the time being in force in this behalf and subject to the provisions of the Act, the shares in the capital of the Company for the time being, whether original or increased or reduced, may be divided into classes, with any preferential, deferred, qualified and other rights, privileges, conditions or restrictions, attached thereto whether in regard to dividend, voting, return of capital or otherwise.
- (b) The Paid-up Share Capital shall be at all times a minimum of Rs. 5,00,000/- (Rupees Five Lacs Only) as required under the Act.
- (bb) The Somaiya Group shall hold in the aggregate at least 51% of the issued Share Capital of the Company.
- (c) The Company has power from time to time to increase its authorised or issued and Paid up Share Capital only if the Somaiya Group vote in favour of any or all such resolutions required to be passed.
- (d) In the event it is permitted by law, the Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.
- (e) Subject to Article 4(d), all Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Company in General Meeting may from time to time by a Resolution, (subject to the approval of the Somaiya Group) in accordance with the Requirements of Law, increase the Capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as by the General Meeting creating the same shall be directed and if no direction be given by the General Meeting, as the Board (which consent shall include that of the Somaiya Group Nominees) shall determine; and, in particular, such Shares may be issued with a preferential or qualified right to Dividends and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Sections 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.
- (g) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Shares, shall be considered as part of the existing Capital and shall be subject

to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

- (h) All of the provisions of these Articles shall apply to all of the Members of the Company.

5. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company shall, subject to the provisions of the Act and the consent of the Board (which consent shall include that of the Somaiya Group Nominees), have power to issue on a cumulative or non-cumulative basis Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act (and subject to the approval of the Somaiya Group Nominees), exercise such power in any manner as they deem fit and provide for redemption of such Shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, shall subject to the provisions of the Act and the consent of the Board (which consent shall include that of the Somaiya Group Nominees), have power to issue on a cumulative or non-cumulative basis Convertible Redeemable Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act (and subject to the approval of the Somaiya Group Nominees), exercise such power in any manner as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such Shares into such Securities on such terms as they may deem fit.

6. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of Preference Shares pursuant to Article 5 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption;
- (b) No such Shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account before the Shares are redeemed;
- (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the Share redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of Preference Shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued Shares of the Company to be issued to the Members as fully paid bonus Shares;
- (g) Whenever the Company shall redeem any Redeemable Preference Shares or Cumulative Convertible Redeemable Preference Shares, the Company shall within thirty days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

7. SHARE EQUIVALENT

The Company shall subject to the provisions of the Act, compliance with all applicable laws, rules and regulations and the consent of the Board (which consent shall include that of the Somaiya Group Nominees) have power to issue Share Equivalents on such terms and in such manner as they deem fit including their conversion, repayment, and redemption whether at a premium or otherwise.

8. ADRs/GDRs

The Company shall subject to the provisions of the Act, compliance with all applicable laws, rules and regulations and the consent of the Board (which consent shall include that of the Somaiya Group Nominees) have power to issue ADRs or GDRs on such terms and in such manner as they deem fit including their conversion and repayment. Such terms may include at the discretion of the Board (but subject to consent of the Somaiya Group Nominees), limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

9. ALTERATION OF SHARE CAPITAL

The Company may (subject to the consent of the Somaiya Group), by a Resolution in General Meeting, in accordance with Requirements of Law, from time to time alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks fit and expedient by issuing new Shares of such amount as may be deemed expedient and the new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Board of Directors (subject to consent of the Somaiya Group Nominees) shall determine, and in particular such Shares may be issued with a preferential right to Dividends and in the distribution of the assets of the Company;
- (b) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
- (c) convert all or any of its fully Paid up Shares into stock and reconvert that stock into fully Paid up Shares of any denomination
- (d) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
- (e) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

10. REDUCTION OF SHARE CAPITAL

The Company may (subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013, from time to time by Special Resolution, reduce its Capital, any Capital Redemption Reserve Account and the securities premium account in any manner for the time being authorised by law, and in particular, Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate any power the Company would have, if it were omitted.

10B. POWER TO ISSUE SHARES OR OPTIONS CONVERTIBLE INTO SHARES INCLUDING BY WAY OF SWEAT EQUITY ETC.

The Company may subject to the consent of the Somaiya Group, from time to time, issue and/or allot Shares or options convertible into shares including by way of employee stock options, as also by way of Sweat Equity Shares in accordance with the applicable Requirements of Law from time to time.

11. POWER OF COMPANY TO PURCHASE ITS OWN SHARES

Pursuant to a resolution of the Board of Directors (which consent shall include that of /the Somaiya Group Nominees), the Company may purchase its own Shares by way of a buy-back arrangement, in accordance with Section 68 of the Act and the other applicable Requirements of Law.

12. POWER TO MODIFY RIGHTS

Where, the Capital, by reason of the issue of Preference Shares or otherwise, 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 Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected 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 hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

13. SHARES AND CERTIFICATES

- (a) The Company shall cause to be kept a Register of Members and Register of Debenture Holders and Register of any other Security Holder in accordance with Sections 88 of the Act. The Company shall be entitled to keep in any State or Country outside India, a Branch Register of Members resident in that State or Country.
- (b) The Shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialized or may be dematerialized in future or issued in future in a dematerialized form. Except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.
- (c) The Company shall be entitled to dematerialize its existing Shares, rematerialize its Shares held in the Depository and/or to offer its fresh Shares in a dematerialized form pursuant to the Depositories Act, 1996, and the rules framed thereunder, if any.

14. FURTHER ISSUE OF SHARES

- (a) The Share Capital of the Company shall be in accordance with Requirements of Law, as in force from time to time.
- (b) Where it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, whether out of un-issued Share Capital or out of increased Share Capital, then such further Shares shall be offered to the Persons who at the date of the offer are holders of the Shares of the Company, in proportion as nearly as circumstances admit, to the Capital Paid up on those Shares at that date. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declined to accept the Shares offered, the Board (subject to consent of the Somaiya Group Nominees) may dispose of them in such manner as they think most beneficial to the Company and the shareholders.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to them in favour of any other Person and the notice issued in relation thereto shall contain a statement of this right. PROVIDED THAT the Board (subject to consent of the Somaiya Group Nominees) may decline, without assigning any reason to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him.
- (d) Notwithstanding anything contained in the preceding sub-article, the Company may offer further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company in accordance with Section 42, read with Section 62 of the Act.

- (e) Notwithstanding anything contained in sub-Article (b) above, but subject however, to Section 42 and 62 of the Act, if applicable, the Company may (subject to the consent of the Somaiya Group) increase its subscribed capital on exercise of an option attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into Shares or to subscribe for Shares in the Company.
- (f) Notwithstanding anything contained in Section 54 of the Act, the Company may (subject to the consent of the Somaiya Group) issue Sweat Equity Shares in accordance with the provisions of Section 54 of the Act.
- (g) Nothing in sub-article (c) above shall be deemed:
 - (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorise any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
- (h) 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 or loans raised by the Company:
 - (i) To convert such Debentures or loans into Shares in the Company; or
 - (ii) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).

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 are approved by a Special Resolution passed at a general meeting of the Company:

15. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 42 and 62 of the Act, if applicable, and these Articles, the Shares in the Capital of the Company for the time being (including any Shares forming part of any increased Capital of the Company) shall be under the control of the Board who may (subject to the consent of the Somaiya Group Nominees) issue, allot or otherwise dispose of the same or any of them to Persons (who under Indian laws, regulations or guidelines or any Requirements of Law can acquire shares of a company incorporated in India and engaged in the businesses in which the Company is involved), in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 52 and 53 of the Act) at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting (subject to the consent of the Somaiya Group) to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors (subject to consent of the Somaiya Group Nominees) think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares, provided however, notwithstanding the foregoing, the option or right to call on Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting (subject to the consent of the Somaiya Group).
- (b) In addition to and without derogating from powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, (subject to the consent of the Somaiya Group) and subject to the provisions of Section 42 and 62 of the Act, determine that any Shares (whether forming part of the original capital or of any increased Capital of the Company), shall be offered to such Persons, (whether Members or holders of Debentures or any other Securities or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, as such General Meeting (subject to the consent of the Somaiya Group) shall determine and with full power to give any person, (whether a Member or holders of Debentures or any other Securities or not), the option to call for or be allotted Shares of any class of the Company, either (subject to compliance with the provisions of

Sections 52 and 53 of the Act), at a premium, such option being exercisable at such time and for such consideration as may be directed by such General Meeting (subject to the consent of the Somaiya Group) or the Company in General Meeting may (subject to the consent of the Somaiya Group) make any other provision whatsoever for the issue, allotment or disposal of any Shares.

- (c) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Member.

16. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

- (a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the Member 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 Rupees two for each certificate) as the Directors shall prescribe, provided that no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

- (b) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (c) When a new share certificate has been issued in pursuance of sub-article (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Duplicate issued in lieu of Shares Certificate No. “ or “Issued in lieu of Share Certificate No. Sub-divided/replaced/on consolidation of Shares” as the case may be. The word “Duplicate” shall be stamped or punched in bold letters across the face of the Share Certificate.
- (d) Where a new share certificate has been issued in pursuance of sub-articles (a) or (b) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the Member to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary charges indicated in the Register of Members by suitable cross reference in the “Remarks” column.
- (e) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (f) The Managing Director or the Executive Director of the Company for the time being or if the Company has no Managing Director or the Executive Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of the Share certificate referred to in sub-article (e) of this Article.
- (g) All books referred to in sub-article (f) of this Article, shall be preserved in good order permanently.

- (h) If any Share stands in the names of two or more Members, the Member first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at Meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- (i) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the Member whose name appears on the Register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any two or more Persons or the survivor or survivors of them.

17. UNDERWRITING AND BROKERAGE

Subject to the provisions of Section 40 of the Act, the Company (subject to the consent of the Somaiya Group) may at any time pay a commission and/or brokerage to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any Shares or Debentures in the Company; but so that the commission and/or brokerage shall not exceed any Requirement of Law in relation to Shares and/or Debentures issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or partly in one way and partly in the other. No commission shall however be payable to any Person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in, or Debentures of the Company, which are not offered to the public for subscription.

18. INTEREST OUT OF CAPITAL

Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company (subject to the consent of the Somaiya Group) may with the previous sanction of the Central Government, pay interest on so much of that Share Capital as is for the time being Paid up, for the period, at the rate and subject to the conditions and restrictions provided in the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provision of plant.

19. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may (subject to the consent of the Somaiya Group Nominees), from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution) (subject to consent of the Somaiya Group Nominees), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.
- (b) Thirty days notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Board may (subject to consent of the Somaiya Group Nominees) by notice in writing to the Members revoke the same.
- (c) A call shall be deemed to have been made at the time when the resolution of the Board (subject to consent of the Somaiya Group Nominees) authorising such call was passed and may be made payable by the Members whose names appear on the Register of Members on such date or at the discretion of the Board (subject to consent of the Somaiya Group Nominees) on such subsequent date as shall be fixed by the Board.

- (d) A call may be revoked or postponed at the discretion of the Board (subject to consent of the Somaiya Group Nominees).
- (e) The joint holder of a Share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- (f) The Board may (subject to the consent of the Somaiya Group Nominees), from time to time at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who, from residence at a distance or other cause the Board may (subject to consent of the Somaiya Group Nominees) deem fairly entitled to such extension; but no Members shall be entitled to such extension save as a matter of grace and favour.
- (g) If any Member or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board (subject to the consent of the Somaiya Group Nominees) but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
- (h) Any sum, which by the terms of issue of a Share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the Share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (i) On the trial or hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (j) Neither a judgment or decree in favour of the Company for calls, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
- (k) The Board may (subject to consent of the Somaiya Group Nominees), if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Member willing to advance the same, the whole or any part of the amounts due upon the Shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or upon so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares in respect of which such advance has been made, the Board may (subject to consent of the Somaiya Group Nominees) pay interest, as the Member paying such sum in advance and the Board agrees (subject to consent of the Somaiya Group Nominees) upon. The Board may (subject to consent of the Somaiya Group Nominees) agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three (3) months notice in writing. Provided that the money paid in advance of calls on any Shares may carry interest but shall not in respect thereof confer a right to participate in profits or dividend. The Directors may (subject to consent of the Somaiya Group Nominees) at any time repay the amount so advanced.

- (l) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
- (m) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

20. COMPANY'S LIEN ON SHARES:

- (a) 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 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 and interest in respect of Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may (subject to consent of the Somaiya Group Nominees) at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this Article.
- (b) For the purpose of enforcing such lien the Board may (subject to the consent of the Somaiya Group Nominees) sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such Member or his Legal Representative, and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
- (c) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the Person entitled to the Shares at the date of the sale.

21. FORFEITURE OF SHARES

- (a) If any Member fails to pay any call or installment or any part thereof or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may (subject to consent of the Somaiya Group Nominees), 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 remain unsatisfied, give notice to him or his Legal Representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than fourteen days from the date of the notice), and a place or places on or before which such call or installment or such part or other moneys as aforesaid and interest thereon, (at such rate as the Board shall subject to consent of the Somaiya Group Nominees) determine and payable from the date on which such call or installment ought to have been paid, and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid shall not be complied with, any Share in respect of which such notice has been given, may at any time thereafter before payment of all calls, installments, other moneys due in respect thereof, interest and expenses as aforesaid, be forfeited by a Resolution of the Board (subject to consent of the Somaiya Group Nominees) to that effect. Such forfeiture shall include all Dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.

- (d) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or if any of his Legal Representatives or to any of the Persons entitled to the Shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board (subject to consent of the Somaiya Group Nominees) shall think fit.
- (f) Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses and other moneys owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may (subject to the consent of the Somaiya Group Nominees) determine and the Board may enforce, (if they think fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- (h) A declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the related Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member), stand cancelled and become null and void and of no effect and the Board shall (subject to the consent of the Somaiya Group Nominees) be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
- (k) The Board may (subject to the consent of the Somaiya Group Nominees) at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) Every instrument of transfer of Shares shall be in writing in the usual common form or in such form as may be prescribed under Section 56 of the Act and shall be delivered to the Company within such time as may be prescribed under the Act.
- (c) (i) An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.

- (ii) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall (subject to the consent of the Somaiya Group Nominees) have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days (45) in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, or any statutory modification of the said provisions for the time being in force and any other Requirements of Law, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason (but subject to the consent of the Somaiya Group Nominees), decline to register or acknowledge any transfer of Shares and in particular may so decline in any case in which (i) the proposed transferee is a Person who is not permitted by any applicable law, regulation or guideline or any Requirements of Law, to acquire shares of a Company incorporated in India or (ii) if the Company has a lien upon the Shares or any of them or (iii) whilst any moneys in respect of the Shares desired to be transferred or any of them has remained unpaid or not or unless the transferee is approved by the Board (subject to the consent of the Somaiya Group Nominees) and such refusal shall not be affected by the fact that the proposed transferee is already a Member. But in such cases it shall, within one (1) month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of refusal to register such transfer. The registration of a transfer shall be conclusive evidence of the approval of the Board of the transferee. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
- (g) Subject to the provisions of the Act and these Articles, the Directors (subject to the consent of the Somaiya Group Nominee) shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any Shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of Shares upon which the Company has a lien.
- (h) Transfer of Shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of Shares comprised in a share certificate to several Members, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of Shares in violation of the stock exchange listing requirements on the ground that the number of Shares to be transferred is less than any specified number.
- (i) In the case of the death of any one or more of the Members named in the Register of Members as the joint-holders of any Share, the survivors shall be the only Member or Members recognized by the Company as having any title to or interest in such Share, but 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.
- (j) The Executors or Administrators or holder of the Succession Certificate or the Legal Representatives of a deceased Member, (not being one of two or more joint-holders), shall be the only Members recognized by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representatives unless such Executors or Administrators or Legal Representatives shall have first obtained Probate or Letters of Administration or Succession

Certificate, as the case may be, from a duly constituted court in the Union of India, provided that the Board may in its absolute discretion dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under these Articles register the name of any Person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.

- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind.
- (l) Subject to the provisions of Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy of any Member or Member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (subject to the consent of the Somaiya Group Nominees), (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board (subject to the consent of the Somaiya Group Nominees) thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board (subject to the consent of the Somaiya Group Nominees), registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.
- (m) A Person becoming entitled to a Share by reason of the death or insolvency of a Member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company; provided that the Directors shall (subject to consent of the Somaiya Group Nominees), at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Shares, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Shares until the requirements of the notice have been complied with.
- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may (subject to consent of the Somaiya Group Nominees) require to prove the title of the transferor, his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (o) In case of transfer and transmission of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- (p) Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.
- (q) No fee shall be payable to the Company, in respect of the transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents.
- (r) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in

some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

- (s) The provision of these Articles shall subject to the provisions of the Act and any requirements of law mutatis mutandis apply to the transfer or transmission by operation of law to other Securities of the Company.

23. DEMATERIALISATION OF SECURITIES

- (a) **De-materialisation:** Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (b) **Options for Investors:** Every Person subscribing to Securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a Person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities.

If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

- (c) **Securities in Depositories to be in fungible form:** All Securities held by a Depository shall be **dematerialized** and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- (d) **Rights of Depositories & Beneficial Owners:**
 - (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - (ii) Save as otherwise provided in (i) above and subject to applicable Requirements of Laws, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (iii) Every person holding Shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company.
 - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (e) **Service of Documents:** Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of **floppies** or discs.
- (f) **Transfer of Securities:**
 - (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (ii) In the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (g) **Allotment of Securities dealt with in a Depository:** Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (h) **Certificate Number Etcetera of Securities in Depository:** Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (i) **Register and Index of Beneficial Owners:** The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Members and Security-holders for the purposes of these Articles.

24. NOMINATION OF SHARES

- (a) Every holder of Shares in, or holder of Debentures of, the Company may, at any time, nominate, in the manner prescribed under the Act, a Person to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.
- (b) Where the Shares in, or Debentures of, the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or Debentures of, the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any Person the right to vest the Shares in, or Debentures of, the Company, the nominee shall on the death of the Member or debenture holder of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.
- (d) Where the nominee is a minor, the holder of the Shares or Debentures concerned, can make the nomination to appoint in prescribed manner under the Act, any Person to become entitled to the Shares or Debentures of the Company in the event of his death, during the minority.

25. TRANSMISSION IN CASE OF NOMINATION

- (a) Notwithstanding anything contained in other Articles, any Person who becomes a nominee by virtue of the provisions of Section 56 of the Act upon the production of such evidence as may be required by the Board (subject to consent of the Somaiya Group Nominees) and subject as hereinafter provided, elect either:-
 - (i) to be registered himself as holder of the Share or Debenture, as the case may be, or
 - (ii) to make such transfer of the Share or Debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (b) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Member or debenture holder, as the case may be.
- (c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration or transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer where a transfer signed by that Member or debenture holder, as the case may be.

- (d) A Person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered a Member in respect of his Share or Debenture, 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 (subject to consent of the Somaiya Group Nominees), at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may (subject to consent of the Somaiya Group Nominees) thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Share or Debenture until the requirements of the notice have been complied with.

26. NOMINATION FOR FIXED DEPOSITS

A depositor may, at any time, make a nomination and the provisions of Section 56 shall, as far as may be, apply to the nominations made pursuant to the provisions of Sections 73 of the Act.

27. NOMINATION IN CERTAIN OTHER CASES

Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (subject to the consent of the Somaiya Group Nominees) (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board (subject to the consent of the Somaiya Group Nominees) thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board (subject to the consent of the Somaiya Group Nominees) registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

28. RESTRICTED RIGHT OF TRANSFER

No Person shall exercise any rights or privileges of Members until he shall have paid all sums (whether in respect of call or otherwise) for the time being due in respect of the Shares held by him or due in any manner whatsoever to the Company.

29. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

30. BORROWING POWERS

- (a) Subject to the provisions of Section 73, 179, and 180 of the Act the Board may, from time to time at its discretion by resolution passed at the meeting of a Board (subject to the consent of the Somaiya Group Nominees):
- (i) accept or renew deposits from Directors, their relatives, Members or the public;
 - (ii) borrow moneys otherwise than on Debentures;
 - (iii) accept deposits from Members either in advance of calls or otherwise; and
 - (iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting (subject to consent of the Somaiya Group).

- (b) Subject to the provisions of these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (subject to consent of the Somaiya Group Nominees) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company in General Meeting (subject to the consent of the Somaiya Group) mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board (subject to the consent of the Somaiya Group Nominees) be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution (subject to the consent of the Somaiya Group).
- (d) Subject to the provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall (subject to consent of the Somaiya Group Nominees) make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 71, 77 and 79 of the Act in that behalf to be duly complied with within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Central Government, the Company Law Board, the National Company Law Tribunal, or any other authority as may be prescribed or the Court or the Registrar, as the case may be, so far as they are required to be complied with by the Board.
- (f) The Company shall, if at any time it issues Debentures, keep a Register and Index (if applicable) of Debenture-holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India, a Branch Register of Debenture holders resident in that State or Country.
- (g) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board of Directors from time to time (subject to the consent of the Somaiya Group Nominees).

31. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of the Act; and accordingly the Board may in its discretion (subject to the consent of the Somaiya Group Nominees), with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.
 - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Shares included in the warrant, and he shall be a Member of the Company.
- (d) The Board may (subject to the consent of the Somaiya Group Nominees), from time to time, make rules as to the terms on which (if they shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

32. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may (subject to the consent of the Somaiya Group) convert any Paid-up Shares into stock and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may (subject to the consent of the Somaiya Group) at any time reconvert any stock into Paid-up shares of any denomination.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

33. MANAGEMENT OF COMPANY'S AFFAIRS

Subject to the provisions of the Act and these Articles, the entire management of the Company's affairs including all decisions and resolutions shall be entrusted by the Members of the Company to its Board of Directors. All matters arising at a meeting of the Board of Directors, other than those otherwise specified in these Articles if any shall be decided by a majority vote (subject to consent of the Somaiya Group Nominees) and subject to any casting vote of the Chairman in the event of a tie.

34. ANNUAL GENERAL MEETING

The Company shall, in each year hold a General Meeting specified as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

35. WHEN ANNUAL GENERAL MEETING TO BE HELD

The Annual General Meeting shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held.

36. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called for at a time during business hours i.e. 9.00 a.m. to 6.00 p.m., on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated, as the Board may (subject to consent of the Somaiya Group Nominees) determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Member of the Company shall be entitled to attend or participate in the Annual General Meeting either in person or by proxy or through its authorized representative and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward/ lodge the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

37. NOTICE OF GENERAL MEETINGS

- (a) **Number Of Days Notice Of General Meeting To Be Given:** A General Meeting of the Company may be called by giving not less than twenty one (21) days clear notice in writing or through electronic mode in such manner as may be prescribed, 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 ninety-five per cent of the members entitled to vote at such meeting, including consent accorded thereto by the Somaiya Group.
- (b) **Notice of Meeting to Specify Place, etc., And To Contain Statement of Business:** Notice of every meeting of the Company shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
- (c) **Contents And Manner Of Service Of Notice And Persons On Whom It Is To Be Served:** Every notice may be served by the Company on any Member thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Member to the Company for giving the notice to the Member.
- (d) **Special Business:** Where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual

General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (e) **Resolution Requiring Special Notice:** With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) **Notice Of Adjourned Meeting When Necessary:** When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (g) **Notice When Not Necessary:** Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

38. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) Subject to Section 100 of the Act, the Board may (subject to consent of the Somaiya Group Nominees), whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any two Directors (one of whom shall be a Somaiya Group Nominee) or by any Member or Members (who shall include the Somaiya Group) holding in the aggregate not less than one-tenth of such of the Paid-up Share Capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made, and such meeting shall be held at the Office of the Company or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Members (who shall include the Somaiya Group) must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such requisition, the Board shall (subject to consent of the Somaiya Group Nominees) forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid-up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less (but provided that they include the Somaiya Group) , may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any Meeting called under the foregoing sub-Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

39. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

- (a) Five Members present in person (who shall include the authorized representative(s) of the SOMAIYA Group) or such larger number as may be prescribed shall be the quorum.
- (b) Notwithstanding what is stated in Article 39(a) above, the SOMAIYA Group may by notice in writing waive the requirement of the presence of its representative(s) for the purpose of constituting a valid quorum in respect of a General Meeting.

40. ADJOURNED MEETING

- (a) If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum in accordance with Article 39 is not present, the meeting if convened by or upon the requisition of Members shall stand dissolved but in any other case the Meeting shall stand adjourned for 7 days after the original meeting or to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and such other time and place within the city, town or village in which the Registered Office of the Company is situated, as the Board (subject to consent of the Somaiya Group Nominees) may determine and if at such adjourned meeting a quorum in accordance with Article 39 is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called, but no resolution shall be passed at such adjourned meeting unless the Somaiya Group are present and voting. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (b) Subject to what has been stated in these Articles, the Members may participate in General Meetings by video conferencing, in accordance with the provisions of the Act, Requirements of Law and the circulars / notifications as may be issued by the Ministry of Corporate Affairs of India, from time to time.

41. CHAIRMAN OF THE GENERAL MEETING

MR.SAMIR S SOMAIYA shall be the Chairman of every General Meeting so long as he is willing to be a Director and the Chairman of the Company. In the absence of MR.SAMIR S SOMAIYA at any General Meeting, one of the SOMAIYA Group Nominees shall preside at such Meeting as the Chairman of such General Meeting. If for any reason MR.SAMIR S SOMAIYA is unable to continue as the Chairman of the Company, then the Chairman of the Board shall be the Chairman of every General Meeting. In the absence of the Chairman of the Board at any General Meeting, one of the SOMAIYA Group Nominees shall preside at such Meeting as the Chairman of that General Meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

42. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

- (a) The Chairman may adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but (subject to the provisions in these Articles), no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

43. QUESTIONS AT GENERAL MEETING HOW TO BE DECIDED

- (a) At any General Meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded, be decided on a show of hands. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or in which an aggregate sum of not less than fifty thousand rupees has been Paid-up. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- (b) Questions arising at any General Meeting of the Company shall (subject to what has been stated in Article 44(s)) be decided by a majority of votes and in the case of an equality of votes, the Chairman

shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of persons as he deems necessary, who is not in employment of the Company and who, in the opinion of the Board can conduct the postal ballot voting process in a fair and transparent manner. The scrutinizer shall submit his report as soon as possible from the date of receipt of postal ballots but not later than seven days thereof. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a Meeting or any question of adjournment, shall be taken at the Meeting forthwith.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such Meeting.
- (h) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

44. VOTES OF MEMBERS

- (a) No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of Members either upon a show of hands or upon a poll in respect of any Shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands, every Member present in person shall have one vote and upon a poll, the voting right of such Member present, either in person or by proxy, shall be in proportion to his share of the Paid up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Member holding Preference Shares be present at any Meeting of the Company, save as provided in Section 47 of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his Preference Shares.

- (c) On a poll taken at a Meeting of the Company, a Member entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (d) A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any

Member be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

- (e) If there be joint registered holders of any shares, any one of such Persons may vote at any Meeting or may appoint another Person, (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint- holders shall be entitled to be present at the Meeting. Several Executors or Administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (f) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Member.
- (g) Any Person entitled to transfer any Shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.
- (h) Every proxy, (whether a Member or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a Meeting. A person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying in voting rights. Provided that, the member holding more than ten percent of the share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- (i) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular Meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every Meeting of the Company, or (iv) of every Meeting to be held before a date specified in the instrument for every adjournment of any such Meeting.
- (j) A Member present by proxy shall be entitled to vote only on a poll.
- (k) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any), under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Member or the attorney, given at least 48 hours before the Meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the Meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such non-production and deposit.

- (l) Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Act or a form as near thereto as circumstance admit.
- (m) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at Meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (n) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the Meeting.
- (o) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
- (p) The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director who shall be a Somaiya Group Nominee.
 - (iii) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (iv) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
 - (v) All appointments of Directors of the Company made at any Meeting aforesaid shall be included in the minutes of the Meeting.
 - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
 - (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
 - (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Member without charge.
 - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:-
 - (i) the names of the Directors and Alternate Directors present at each General Meeting;
 - (ii) all Resolutions and proceedings of General Meeting;

- (q) The Members shall vote (whether in person or by proxy) all of the Shares owned or held of record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board of Directors, appointed as a Director of the Company under Section 164 of the Act in accordance with these Articles.
- (r) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (s) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote (and any voting shall not be construed as a majority vote unless it includes the affirmative vote of the SOMAIYA Group).
- (t) The Members shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Members, and by the Company and to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(u) Postal Ballot:

- (i) Notwithstanding anything contained elsewhere in these Articles, the Board of Directors may and in the case of resolutions relating to such business as the Central Government, may by notification under the provisions of Section 110 of the Act, declare to be conducted only by the postal ballot, shall get the resolution passed by means of a postal ballot instead of transacting the business in general meeting of the Company.
- (ii) Where it is decided to pass any resolution by resorting to postal ballot the Company shall send a notice to all the Members, alongwith draft resolution explaining the reasons therefore and requesting Members to send their assent or dissent in writing on a postal ballot within period of thirty days from the date of posting of the letter.
- (iii) The notice shall be sent by registered post acknowledgment due, or by any other method as may be prescribed by the Central Government in this behalf, and shall include with the notice, a postage pre-paid envelop for facilitating the communication of the assent or descent of the members to the resolution within the said period of thirty days.
- (iv) If a resolution is assented to by a requisite majority of the members by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.
- (v) It is clarified that the term postal ballot in this Article shall include voting by electronic mode.

45. DIRECTORS

- (a) Until otherwise determined by the Company in a General Meeting and subject to Sections 149 of the Act, the number of Directors (excluding Alternate Directors) shall not be less than three and not more than fifteen. The composition of the Board will be in accordance with all applicable Requirements of Law.
- (b) Mr. Samir S. Somaiya shall be entitled to appoint one third of the members of the Board (SOMAIYA Group Nominees) who shall be non- retiring Directors and not liable to retire by rotation, subject to the provisions of Section 167 of the Act and Article 55 herein below and Article 56 herein below.
- (c) If the SOMAIYA Group Nominee retires, resigns, is removed or otherwise vacates office at any time then, subject to Article 48, Mr. Samir S. Somaiya shall be entitled to nominate one replacement Director upon the retirement, removal or resignation of their respective nominee Director.
- (d) The SOMAIYA Group Nominees as also their Alternate Directors shall hold office at the pleasure of Mr. Samir S. Somaiya, and be subject to removal by the Mr. Samir S. Somaiya. Their appointments and removals shall be effective by a notice in writing addressed to the Board, under the hand of Mr. Samir S. Somaiya and the same shall take effect forthwith upon being delivered to the Company. As and when there is a vacancy on the Board of the Company for any cause or reason

out of the Directors nominated by Mr. Samir S. Somaiya, such vacancy shall be filled by a Director who shall be nominated by Mr. Samir S. Somaiya.

46. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) MR. SAMIR S SOMAIYA shall be and shall continue as the non-retiring Chairman of the Board so long as he is willing to be a Director and Chairman of the Company and shall not be liable to retire by rotation. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. In the absence of MR. SAMIR S SOMAIYA at any meeting of the Board, one of the SOMAIYA Group Nominees shall preside at such meeting as the Chairman. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason MR.SAMIR S SOMAIYA is unable to continue as the Chairman, the members of the Board of Directors shall appoint one of the SOMAIYA Group Nominees as the Chairman.
- (c) All the Directors shall exercise their voting rights to ensure that these Articles are implemented and acted upon by them to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

47. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director (with the consent of the Member appointing him) to act for him during his absence for a period of not less than 3 months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “the Original Director”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re- appointment shall apply to the Original Director and not to the Alternate Director.

48. CASUAL VACANCY AND ADDITIONAL DIRECTORS

- (a) Subject to the provisions of Section 161 of the Act and these Articles including in particular Article 45(b), the Board (subject to the consent of Mr. Samir S. Somaiya) shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 45. Any Person so appointed as an addition shall hold office only up to the date of the next Annual General Meeting. Any person appointed to fill a casual vacancy shall hold office only up to the date to which the Original Director in whose place he is appointed would have held office if it had not been vacated but shall be eligible for election.
- (b) As and when there is a vacancy on the Board of the Company for any cause or reason out of the Directors nominated by Mr. Samir S. Somaiya/ (i.e. SOMAIYA Group Nominees) such a vacancy shall be filled by a Director who shall be nominated by Mr. Samir S. Somaiya.

49. DEBENTURE DIRECTORS

If it is provided by a Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/ Lender or Persons/ Lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/ Lender or Persons/ Lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/Lender or Persons/Lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification Shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the provisions of the Act, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company/Unit or partly by one way and partly by the other, subject to the limits prescribed under the Act and any Requirements of Law.
- (b) Subject to the provisions of the Act and any Requirements of Law, a Director (other than a Managing Director or any Executive Director) may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment, or
 - (ii) by way of commission.
- (c) The remuneration payable to each Director for every Meeting of the Board or Committee of the Board attended by them or participated in by them, as the case may be, shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 310 of the Act.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may (subject to the consent of the Somaiya Group Nominees in accordance with applicable Requirements of Law) arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board (subject to the consent of the Somaiya Group Nominees in accordance with applicable Requirements of Law) and such remuneration may be either in addition to or in substitution for his remuneration otherwise provided.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may (subject to the consent of the Somaiya Group Nominees in accordance with applicable Requirements of Law) allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board/committee meetings are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may (subject to the consent of the Somaiya Group Nominees in accordance with applicable Requirements of Law) consider fair compensation for traveling, lodging and/or other expenses, in addition to his fee for attending such Board Meetings/committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed traveling and other expenses incurred in connection with the business of the Company.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 45 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to Sections 167, 168, 169 and 188 of the Act, the office of a Director, shall ipso facto be vacated if:
 - (i) he is found to be of unsound mind by a Court of competent jurisdiction; or

- (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
 - (v) he fails to pay any calls made on him in respect of Shares of the Company held by him whether alone or jointly with others, within six months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he absents himself from three consecutive Meetings of the Board or from all Meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
 - (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or
 - (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (ix) he acts in contravention of Section 184 of the Act; or
 - (x) he is removed in pursuance of Section 169 of the Act; or
 - (xi) if he is a SOMAIYA Group Nominee, upon receipt of notice by the Board from Mr. Samir S. Somaiya, informing the Board of the withdrawal of his nomination; or
 - (xii) if he is disqualified under Section 164 of the Act; or
 - (xiii) he ceases to be a Director by virtue of any provisions of the Act or he becomes prohibited by law from being a Director; or
- (b) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board of Directors and such resignation shall become effective upon its acceptance by the Board.

56. REMOVAL OF DIRECTORS

- (a) The SOMAIYA Group Nominees shall hold office at the pleasure of Mr. Samir S. Somaiya and be subject to removal by Mr. Samir S. Somaiya.
- (b) In the event of Mr. Samir S. Somaiya wishing to remove a Somaiya Group Nominee Director, the Members (including the Other Members), if required, shall vote for such removal.

57. DIRECTORS MAY CONTRACT WITH COMPANY

- (a) A Director or his relative, a firm in which such Director or relative is a partner, any other Person in such firm, or a private company of which the Director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or Debentures, of the Company, provided that the prior sanction of the Board (including that of the Somaiya Group Nominees) and the Central Government is obtained in accordance with Section 188 of the Act.
- (b) Subject to the provisions of the Act, no sanction however shall be necessary to:
 - (i) any sale, purchase or lease of immovable property; or

- (ii) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or
- (iii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services, in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services do not exceed Rs. 5,000 in the aggregate in any year comprised in the period of the contract or contracts.
- (c) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

58. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2 per cent of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a Meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
 - (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
 - (I) in his being –
 - (i) a director of such company, and
 - (ii) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
 - (II) in his being a member holding not more than 2 per cent of its Paid-up Share Capital.

- (c) Subject to the provisions of Section 188 and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.
- (d) The Company shall keep a Register in accordance with Section 189 of the Act and enter therein such of the particulars as may be relevant having regard to the application thereto of Section 188 or Section 184 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 58(a). The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (e) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as the Act may be applicable.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

Subject to what is stated in Article 45 (b) herein above:-

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 45 and Section 149 and 152 of the Act and these Articles, the Company may (subject to the consent of the Somaiya Group), by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act, the provisions contained in these Articles (and in particular Article 56) and subject to the consent of the Somaiya Group, as applicable), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

- (a) Every Director, (including a person deemed to be a Director), a Managing Director, Manager, or Secretary of the Company shall, within thirty days of his appointment to any of the above offices or as the case may be, relinquishment of, such offices, in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under Section 170 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company, shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of enabling the Company to comply with the provisions of that Section.

63. MANAGING DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER

- (a) Subject to the provisions of Article 45 and Section 196, 197 and 203 and other applicable provisions of the Act and of these Articles, the SOMAIYA Group shall have the right by a notice in writing signed by MR. SAMIR S SOMAIYA addressed to the Board, the right to designate one or more of the SOMAIYA Group Nominees as the Managing Director(s) or Manager or Executive Director(s) of the Company and the Board shall within one week of the date of receipt of such letter, appoint such designate or designates as the Managing Director(s) or Manager or Executive Director(s) of the Company. Mr. Samir S. Somaiya shall have the right by a similar notice to require the Board to remove any Managing Director(s) or Manager or Executive Director(s) of the Company and the Board shall within one week of the date of receipt of such notice take steps to remove such person from such office with the Company. On a vacancy being caused in the office of the Managing Director(s) or Manager or Executive Director(s), whether by resignation, death, removal or otherwise, Mr. Samir S. Somaiya shall have the right to designate another SOMAIYA Group Nominee for such appointment and the Board shall proceed to appoint such SOMAIYA Group Nominee in the same manner as prescribed above. The terms of appointment of Managing Director(s) or Manager or Executive Director(s) shall be as are specified, (with the power to vary such terms) by Mr. Samir S. Somaiya from time to time, and these shall be the terms on which such persons shall be appointed by the Board. The Managing Director(s) or Manager or Executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the provisions of the Act and these Articles, the Board shall (subject to the consent of the Somaiya Group Nominees) vest in such Managing Director/s or Manager or Executive Director(s), as the case may be, all the powers vested in the Board generally.
- (b) The Managing Director(s) or Manager or Executive Director(s), as the case may be, of the Company in office on the date of adoption of this Article by the Company shall be deemed to be the Managing Director or Manager or Executive Director, as the case may be designated by Mr. Samir S. Somaiya for appointment and appointed by the Board, as provided in sub-Article (a) above and the remaining provisions of sub- Article (a) above shall apply to such Managing Director or Executive Director or Manager (as the case may be).

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s)/ Executive Director(s)/ Manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/ Executive Director(s) / Manager, and if he ceases to hold the office of a Managing Director(s)/ Executive Director(s) / Manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S) OR EXECUTIVE DIRECTOR(S) OR MANAGER

The remuneration of the Managing Director(s) or Executive Director(s) or Manager shall (subject to Sections 196, 197 and 203, and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors (subject to the consent of the Somaiya Group Nominees), from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S) OR EXECUTIVE DIRECTOR(S) OR MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s) or Executive Director(s) or Manager in the manner as deemed fit by the Board (subject to the consent of Somaiya Group Nominees and subject to the provisions of the Act, and these Articles) the Board may (subject to the consent of Somaiya Group Nominees) by resolution vest any such Managing Director(s) or Executive Director(s) or Manager with such of the powers hereby vested in the Board generally as they think fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. LIMITATIONS ON POWERS OF MANAGING DIRECTOR(S) OR EXECUTIVE DIRECTOR(S) OR MANAGER

The Managing Director(s) or Executive Director(s) or Manager shall not exercise the powers to: -

- (a) making calls on Members in respect of money unpaid on the Shares in the Company;
- (b) issue Debentures;
- (c) and except to the extent mentioned in the resolution passed at the Board Meeting under Section 179 of the Act (subject to consent of the Somaiya Group Nominees) shall also not exercise the powers to borrow moneys, otherwise than on Debentures;
- (d) invest the funds of the Company;
- (e) make loans; and
- (f) do such things and take such actions as are limited or prescribed by the Board (subject to the consent of the Somaiya Group Nominees) from time to time.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) The Board may meet for the dispatch of the business, adjourn and otherwise regulate its meetings on a date, time and venue as indicated by the Chairman, provided however, the Board shall meet once in every three calendar months and at least four times in a year in accordance with Section 173 of the Act or any statutory modifications thereof.
- (b) The Company Secretary shall as and when, directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director.
- (c) The Board of Directors may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (d) At least 7 days notice of every meeting of the Board shall be given in writing to every Director for the time being at his usual address in India and in the case of a Director resident outside India, at his address outside India and to his alternate, if any in India at his usual address in India. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any

emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be. Such notice or shorter notice may be sent by post or by fax or email depending upon the circumstances.

- (e) Subject to what has been stated in this Article 68 and in Article 69 herein below, a Director may attend and participate in Board Meetings by video or audio conferencing, in accordance with the provisions of the Act, the Requirement of Law and the circulars / notifications as may be issued by the Ministry of Corporate Affairs, from time to time.

69. QUORUM FOR BOARD MEETING

Subject to Section 174 of the Act, the quorum for a Meeting of the Board shall be presence of at least one - third of its total strength which must include at least all of the Directors who are SOMAIYA Group Nominee Director(s) (or his or their alternate) unless such absent SOMAIYA Group Nominee Director(s) consent in writing to a quorum requirement being satisfied despite his or their absence. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength of the number of remaining Directors, that is to say, the number of Directors who are not interested, present at the Meeting being not less than two (of whom atleast one should be an SOMAIYA Group Nominee Director), they shall be the quorum during such time.

70. ADJOURNED BOARD MEETING FOR WANT OF QUORUM

- (a) If any duly convened Board Meeting cannot be held for want of a quorum, in terms of Article 69 above then such a meeting shall automatically stand adjourned for 7 days after the original Meeting at the same time and place, or if that day is a public holiday, on the next succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed by all the Directors.
- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum, provided that at least one (1) Somaiya Group Nominee Director is present/ participates, but no resolution shall be passed by the Board at any such adjourned board meeting, on any matters, save and except in accordance with Article 71 herein below.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles if any, shall be decided by a majority vote and any voting shall not be construed as a majority vote unless it includes the affirmative vote of either MR. SAMIR S SOMAIYA or one SOMAIYA Group Nominee present and voting at such Meeting. In the case of an equality of votes, the Chairman shall have a second or casting vote. Provided that if neither MR. SAMIR S SOMAIYA nor any SOMAIYA Group Nominee Director is able to attend a Board Meeting, but addresses a written communication to the Board, expressing his/their concurrence or approval to the passage of any particular resolution or resolutions by the Board, such communication shall for the purposes of this Article be deemed to be his/ their affirmative vote.
- (b) 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.

72. POWERS OF THE BOARD

Subject to the provisions of the Act and these Articles: -

- (a) The Board of Directors shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing, which is directed, or required by the Act or any other provisions of law or by the Memorandum of Association of the Company or by these Articles to be exercised or done by the Company in General Meeting.
- (b) The Board of Directors is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

73. COMMITTEES AND DELEGATION BY THE BOARD

- (a) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act (subject to the consent of the Somaiya Group Nominees), delegate any of their powers to the Managing Director(s), the Executive Director(s) or Manager or the Chief Executive Officer of the Company. The Managing Director(s), the Executive Director(s) or the Manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the provisions of the Act, any Requirements of Law and anything stated in these Articles the Board may (subject to the consent of the Somaiya Group Nominees) delegate any of their powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) Subject to applicable Requirements of Law, in respect of each committee of the Board of Directors, Mr. Samir S. Somaiya is entitled to nominate at least one third of the SOMAIYA Group Nominees to each of the committees of the Board of the Company.
- (d) The Meetings and proceedings of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (e) Subject to what has been stated herein above in this Article 73, a Director may attend and participate in meetings of the Committee by video or audio conferencing in accordance with the provisions of the Act, the Requirement of Law and the circulars / notifications as may be issued by the Ministry of Corporate Affairs, from time to time.

74. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts done at any Meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

75. RESOLUTION BY CIRCULAR

Subject to Sections 175 and 179 of the Act and the provisions as contained in these Articles, no resolution shall be deemed to have been passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all Directors, or to all members of the Committee, whether in India or not (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual address in India or elsewhere, and has been approved by all such Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution (subject to consent of the Somaiya Group Nominees, as are then in India).

76. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee/s thereof to be kept by making within thirty days of the conclusion of every such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain:-
 - (i) all appointments of Officers;
 - (ii) the names of the Directors and Alternate Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, the resolution.
- (e) Nothing contained in sub Articles (a) to (d) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (f) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub article.
- (g) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

77. OFFICERS

- (a) The Company shall have its own professional management.
- (b) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer and/or Chief Financial Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.
- (c) Other officers shall be appointed from time to time with the approval and on the terms as are acceptable to the Managing Director and/or Executive Director of the Company.
- (d) The officers of the Company shall serve at the discretion of the Board.
- (e) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board, and shall conduct the day to day business of the Company.
- (f) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of Directors of the Company.

- (g) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

78. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may (subject to the consent of the Somaiya Group Nominees) from time to time appoint any individual as Secretary of the Company to perform such function, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may (subject to the consent of the Somaiya Group Nominees) confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may (subject to the consent of the Somaiya Group Nominees) also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Company Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of Directors of the Company are required to conform to and shall be designated as such and be the officer in default.

79. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

- (a) Subject to applicable Requirements of Law, the Company shall procure, at the Company's cost, comprehensive directors and officers' liability insurance for each Director:
 - (i) on terms approved by the Board (subject to consent of the Somaiya Group Nominees);
 - (ii) which includes each Director and Officer as a policy holder,
 - (iii) is from a recognised insurer approved by the Board; and
 - (iv) for a coverage for claims of such amount as may be decided by the Board (subject to consent of the Somaiya Group Nominees) from time to time.

Provided that, where any insurance is taken by the Company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

80. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof.
- (b) The Board shall provide for the safe custody of the Seal for the time being.
- (c) Notwithstanding what has been stated in Article 80(a) hereinabove, the Seal shall never be used (i) except by the authority of the Board (subject to consent of the Somaiya Group Nominees) or a Committee of the Board (subject to consent of the Somaiya Group Nominees, who are members of such Committee of the Board) previously given and (ii) except in the presence of at least one Director (who shall be from time to time nominated by the Board, subject to consent of the Somaiya Group Nominees) or the Company Secretary or such other Person as the Board may (subject to consent of the Somaiya Group Nominees) appoint for the purpose.
- (d) The Company shall also be at liberty to have an official Seal(s) in accordance with the Requirements of Law for use at any location in India (other than at the registered office of the Company) or in accordance with section 50 of the Act, for use in any territory, district or place outside India.

81. ACCOUNTS

- (a) The Company shall keep at its Office or at such other place in India as the Board (subject to consent of the Somaiya Group Nominees) thinks fit proper books of account in accordance with Section 128 of the Act with respect to -
 - (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (ii) all sales and purchase of goods by the Company;
 - (iii) the assets and liabilities of the Company.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year or such other period as may be stipulated in the Act or in any other applicable Requirements of Law.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

82. AUDIT

- (a) Auditors shall be appointed in accordance with the provisions of the Act, applicable Requirements of Law and Article 82A herein below and their rights and duties regulated in accordance with Sections 139 to 147 of the Act.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

82A. APPOINTMENT OF AUDITORS

The annual audit of the books of accounts and records and affairs of the Company shall be made each Year immediately following the close of the Financial Year by a known and recognized firm of Chartered Accountants elected by the Members (subject to consent of the Somaiya Group).

83. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Member whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case,

at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every Person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostated or lithographed.
- (f) All documents or notices to be given or served by Members on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

84. DIVIDEND POLICY

- (a) Subject to the provisions of Section 123 of the Act, the profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the Shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment. The Company may before the declaration of any dividend in any financial year transfer such percentage of profits for that financial year as it may consider appropriate to the reserves of the Company.
- (b) The Company in General Meeting may declare Dividends, to be paid to Members according to their respective rights and interests in the profits but no Dividends shall exceed the amount recommended by the Board (as approved by the Somaiya Group Nominees), but the Company in General Meeting may declare a smaller Dividend, and may fix the time for payments not exceeding 30 days from the declaration thereof.
- (c)
 - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that:
 - (I) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years,
 - (II) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act or against both.
 - (ii) The declaration of the Board (subject to the consent of the Somaiya Group Nominees) as to the amount of the net profits shall be conclusive.

- (d) The Board may (subject to the consent of the Somaiya Group Nominees from time to time, pay to the Members such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f) (i) Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any Shares in the Company, Dividends may be declared and paid according to the amount of the Shares.
 - (i) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purpose of this regulation as paid on Shares.
 - (ii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid, but if any Shares are issued on terms providing that it shall rank for Dividend as from a particular date such Shares shall rank for Dividend accordingly.
- (g) Subject to the provisions of the Act and these Articles, the Board may (subject to consent of the Somaiya Group Nominees) retain the Dividends payable upon Shares in respect of any Person, until such Person shall have become a Member, in respect of such Shares or until such Shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such Shares.
- (i) Subject to the provisions of the Act, no Member shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may (subject to the consent of the Somaiya Group Nominees) deduct from the interest or Dividend payable to any such Member all sums of money so due from him to the Company.
- (j) A transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Member or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Member or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If two or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any moneys payable in respect thereof. Several Executors or Administrators of a deceased Member in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board (and subject to consent of the Somaiya Group Nominees), make a call on the Members of such amount as the Meeting fixes, but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Members, be set-off against such calls.

85. UNPAID OR UNCLAIMED DIVIDEND

- (i) Subject to provisions of section 124 of the Act, if the Company has declared a Dividend but which has not been paid or claimed or the Dividend warrant in respect thereof has not been posted or sent within 30 days from the date of declaration to any Member entitled to the payment of such dividends, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that regard with any scheduled bank called the “Unpaid Dividend of GODAVARI BIOREFINERIES LIMITED” and transfer to the said account the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted.
- (ii) Any money so 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 to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.
- (iii) No unpaid or unclaimed Dividend shall be forfeited by the Board.

86. CAPITALISATION OF PROFITS

The Company in General Meeting (subject to consent of the Somaiya Group) may, upon the recommendation of the Board (as approved by the Somaiya Group Nominees), resolve:

- (i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and
- (ii) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Members who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (iii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - (b) paying up in full, un-issued Shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Members in the proportions aforesaid; or
 - (c) partly in the way specified in sub-article (a) and partly in the way specified in sub-article (b).

87. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall (subject to the consent of the Somaiya Group Nominees) give effect to a Resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall (subject to the consent of the Somaiya Group Nominees):
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid Shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.

88. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

89. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

Every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or employee in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all claims.

90. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS

No Director, Manager, officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any moneys, Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

91. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The Members shall vote all the Shares owned or held of record by such Members at any Annual or Extraordinary General Meeting of the Company in accordance with these Articles.
- (b) The Members shall not pass any resolution or take any decision, which is contrary to any of the terms of these Articles.
- (c) The Articles of the Company shall not be amended unless (i) Members holding not less than 75% of the Shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles and (ii) unless the SOMAIYA Group votes in favour of such amendment/s, so long as the SOMAIYA Group are Members of the Company and vote on such amendment/s.

92. SECRECY

- (i) Every Director, Manager, Committee Member, Auditor, Trustee, officer, servant, agent, accountant or other Person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and in matters relating thereto and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by Requirements of Law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
- (ii) No Member, not being a Director shall be entitled except to the extent expressly permitted by the Act or these Articles to enter upon the property of the Company or to require discovery of any information respecting any details of the Company's trading 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 will be inexpedient in the interests of the Company to communicate to the public.

PART – B

Notwithstanding anything contained in the foregoing paragraphs of these Articles; till such time the Shareholders Agreement dated February 27, 2015 (“**Shareholders Agreement**”) continues to be in force, the provisions of Part B herein shall apply and in the event of any conflict between the provisions of Part A above and this Part B, the provisions contained in Part B shall at all times, supersede the provisions of Part A.

93. Definitions

“**Act**” means the (Indian) Companies Act, 2013 and the rules framed thereunder and any amendment or re-enactment thereof for the time being in force provided that with respect to any provisions of the (Indian) Companies Act, 2013 that have not been notified and brought into force as of the Execution Date, the corresponding provisions of the (Indian) Companies Act, 1956 shall continue to apply until their notification and coming into force;

“**Affiliate**” shall mean any person that, directly or indirectly, ‘Controls’, is ‘Controlled’ by or is under common ‘Control’ with such Person. It is hereby further agreed that in case of Investor, the term “Affiliate” shall include entities which are Managed by Mandala Capital Limited;

“**Additional Tag Acceptance Notice**” has the meaning ascribed to such term in Article 103.5.3 hereof;

“**Board**” means the duly constituted board of directors of the Company;

“**Business**” means business of manufacturing sugar and associated products derived from sugarcane and other agro feedstock; manufacture of chemicals and related products; the generation and sale of power and fuels from the byproducts and remnants of sugarcane and other agro feedstock and products; wholesale trading and other commercial activities and any and all other activities which are related to, incidental to or conducive, whether directly or indirectly, to the attainment of the foregoing objects as undertaken by the Company;

“**Business Day**” means any day (excluding Saturdays, Sundays and public holidays) on which banks in Mauritius and Mumbai, India are open for normal banking business;

“**Capital Investment Programme**” means the capital investment program set out in the Schedule 6 of the Shareholders Agreement;

“**Charter Documents**” means the memorandum of association and the articles of association of the Company and each Promoter which is an incorporated entity and the relevant constitutional documents of the Investor as applicable;

“**Closing Date**” has the meaning ascribed to such term in the Share Subscription Agreement;

“**Competitor**” shall mean any Person which derives substantial revenue from the business of sugar and/or ethanol or its respective derivatives;

“**Control**” shall mean the power to direct the management and policies of an entity through (i) the ownership of more than 50% of the shares or securities of such entity; or (ii) control the composition of the board of directors of such entity;

“**Control Transaction**” shall mean such transaction wherein the Transfer of Shares by the Selling Shareholder would result into any of the following consequences, whether by operation of Law or otherwise:

- (i) change in ‘Control’ of the Company; or
- (ii) conferring the ‘Control’ of the Company to the Third Party Purchaser or the Proposed Buyer, as the case may be; or

(iii) the Promoters ceasing to be in ‘Control’ of the Company.

In case of Transfer of Shares by more than one Selling Shareholder occurring at the same time, on an aggregate basis, results into any of the consequences mentioned above, then such proposed Transfer, collectively, shall also be deemed to be a ‘Control Transaction’. However, any Transfer of Shares inter se between the Promoters shall not be construed to be a “Control Transaction”.

“Committee” has the meaning ascribed to such term in Article 100.1.1 hereof;

“Deed of Adherence” shall have the meaning ascribed to it in the Shareholders Agreement;

“Director” means an individual director on the Board (including any duly appointed additional or alternate director);

“Effective Date” means the date on which the allotment of Subscription Shares by the Company to the Investor occurs in accordance with the provisions of the Share Subscription Agreement;

“Encumbrance” has the meaning ascribed to such term in the Share Subscription Agreement;

“Equity Share(s)” means the fully paid-up equity shares of face value of Rupees Ten only (Rs. 10/-) each of the Company issued from time to time, together with all rights, obligations, title and interest in and to such shares;

“Event of Default” shall have the meaning ascribed to it in the Shareholders Agreement.

“Financial Statements” means the balance sheet, profit and loss account, and cash flow statements of the Company, prepared in accordance with Indian GAAP and applicable Laws;

“Future Funding” shall have the meaning ascribed to such term in Article 98.1 hereof;

“Indian GAAP” means the generally accepted accounting principles consistently applied, as in effect from time to time in India;

“Investor” means the Mandala Capital AG Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at C/o GFin Corporate Services Ltd. 9th Floor, Orange Tower Cybercity, Ebene, Mauritius;

“Investor ROFO Notice” has the meaning ascribed to such term in Article 103.7.2 hereof;

“Investor ROFO Period” has the meaning ascribed to such term in Article 103.7.2 hereof;

“Investor ROFO Shares” has the meaning ascribed to such term in Article 103.7.2 hereof;

“Investor Nominee Director” has the meaning ascribed to such term in Article 100.1.1 hereof;

“Investor’s Third Party Purchaser” has the meaning ascribed to such term in Article hereof;

“IPO” shall mean the initial public offering of the Company whereby the Company’s Equity Shares are listed and admitted for trading in any of the stock exchanges;

“Law(s)” means any law, any rule, regulation, ordinance, order, instructions, treaty, judgment, decree, injunction, permit or decision of any central, state or local government, authority, agency, court or other body having jurisdiction over the matter in question, including without limitation, those relating to the Business, Foreign Exchange Management Act, 1999 and regulations issued there under, legislations pertaining to protection of environment, zoning, town and country planning, as may be in force from time to time;

“Managed by Mandala Capital Limited” means entities managed by Mandala Capital Limited and the term “Manage” shall be construed accordingly; provided, however, that the term Managed by Mandala Capital Limited shall not include the portfolio entities in which Mandala Capital Limited

through one or more of its pooling vehicles or investment vehicles, has, directly or indirectly, made any investment;

“Mandala Capital Limited” means Mandala Capital Limited, a limited liability company with a Category I Global Business License, incorporated under the laws of Republic of Mauritius, having its registered office c/d GFin Corporate Services Ltd. 9th Floor, Orange Tower, Cybercity, Ebene, Mauritius and which is the investment manager of funds managed by it;

“Meeting on Shorter Notice” has the meaning ascribed to such term in Article 100.4.2 hereof;

“Observer” has the meaning ascribed to such term in Article 100.3.1 hereof;

“Other Shareholders” shall mean those shareholders in the Company, not being Promoters, who collectively hold 9.84% (nine decimal eight four percent) of the paid up share capital of the Company as of the Effective Date;

“Person” means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity, organization or association or body of persons, whether incorporated or not;

“Post-Money Valuation” shall mean the aggregate of Rupees Five Hundred and Eighty Five Crores plus the Subscription Amount;

“Promoter” means Mr. Samir Somaiya;

“Proposed Buyer” shall have the meaning ascribed to it in Article 103.4.1;

“Reserved Matters” shall have the meaning ascribed in Article 101;

“Right of First Offer” has the meaning ascribed to such term in Article 103.3.1 hereof;

“Right of First Refusal” has the meaning ascribed to such term in Article 103.4.1 hereof;

“ROFO Notice” has the meaning ascribed to such term in Article 103.3.1 hereof;

“ROFO Period” has the meaning ascribed to such term in Article 103.3.2 hereof;

“ROFO Shares” has the meaning ascribed to such term in Article 103.3.1 hereof;

“ROFR Notice” has the meaning ascribed to such term in Article 103.4.1 hereof;

“ROFR Shares” has the meaning ascribed to such term in Article 103.4.1 hereof;

“ROFR Period” has the meaning ascribed to such term in Article 103.4.2 hereof;

“Samir Somaiya” refers to Mr. Samir Somaiya, son of Mr. Shantilal Somaiya, resident of Padmanabh, M.L. Dahanukar Marg, Mumbai, and includes his heirs, executors, administrators and permitted assigns;

“Samir Somaiya’s Right of First Offer” has the meaning ascribed to such term in Clause 103.7.2 hereof;

“Selling Shareholder” in the context of the provisions contained in Article 103 shall mean the Promoters proposing to sell its Shares;

“Shares” shall mean the Equity Shares and/pr convertible shares of the Company;

“Share Subscription Agreement” shall mean the share subscription agreement of even date entered into between the Company, the Promoters and the Investor;

“Shareholders” shall mean and refer collectively to the Promoters, Investor, Other Shareholders and any Person who becomes a shareholder of the Company and executes a Deed of Adherence, in each case for so long as such Person remains a shareholder of the Company; “Shareholder” shall refer to any one of them, as the context may require;

“Subscription Amount” has the meaning ascribed to such term in the Share Subscription Agreement;

“Tag Acceptance Notice” has the meaning ascribed to such term in Article 103.5.2 hereof;

“Tag Along Right” has the meaning ascribed to such term in Article 103.5.2 hereof; “Tag Offer Notice” has the meaning ascribed to such term in Article 103.5.1 hereof;

“Third Party Purchaser” has the meaning ascribed to such term in Article 103.3.4 hereof;

“Transaction Documents” shall have the meaning ascribed to it the Share Subscription Agreement;

“Transfer”, in the context of Shares or any interest in Shares means any of the following: (a) sell, assign, transfer or otherwise dispose of, or grant any option over, any Shares or any interest in Shares; (b) create or permit to subsist any Encumbrance over Shares or any interest in Shares; (c) enter into any agreement in respect of the votes or any other rights attached to any Shares; or (d) renounce or assign any right to receive any Shares or any interest in Shares.

94. Interpretations

Unless the context of this Part B otherwise requires:

- (i) All capitalised terms used in any Article hereto and not defined in Article 93 above shall have the meaning ascribed to them in such relevant Article, unless the context otherwise requires.
- (ii) The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Part B or specified sections of this Part B, as the case may be.
- (iii) The words “include”, “including” and “in particular” shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- (iv) The headings are inserted for convenience only and shall not affect the construction of this Part B.
- (v) Unless the context requires otherwise, words importing the singular include the plural and vice versa, and pronouns importing a gender include each of the masculine, feminine and neutral gender.
- (vi) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment, whether before or after the date of execution hereof, for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (vii) Unless the context otherwise requires, if any act is to be done on a day which is not a Business Day, then such act shall be done on the following Business Day.
- (viii) Any reference to this Part B shall include all amendments, changes and/or modifications made to this Part B in accordance with the provisions hereof.

95. CONDUCT AND DEVELOPMENT OF THE BUSINESS

95.1 Conduct and Promotion of the Business

The Shareholders shall vote their Equity Shares and otherwise act within their power (so far as they lawfully can) to ensure that: (i) the Business shall be conducted in accordance with the Capital Business

Programme and sound and good business practise; and (ii) that the Company shall not act (a) otherwise than in accordance with applicable Laws and the Charter Documents; or (b) in any way which might reasonably be likely to expose any officer, director or manager of the Company or the Shareholders to civil or criminal liability or sanction under the applicable Laws.

96. DIVIDENDS

- 96.1 The Board shall favour the distribution to the Shareholders cash available for distribution, which is not required for the activities in which the Company, is currently engaged, or in which the Company plans with reasonable clarity to engage in the future. At the end of each year, the Board shall review the cash generated and available to the Company for such internal needs and for distribution. After taking into account cash needed for such operations and capital programmes (including the reduction of debt), the Company shall agree to distribute the remaining distributable earnings to the Shareholders as dividends. The Board shall also consider efficient mechanisms for making such distributions such as bonus share issuance in accordance with applicable Laws.

97. UTILIZATION OF PROCEEDS

- 97.1 Except as specifically provided in this Part B, the Company shall use the proceeds from the Subscription Amount solely in line with the Capital Investment Programme and for the redemption of preference shares as provided in Clause 2.7 of the Share Subscription Agreement.

98. FUTURE FUNDING

- 98.1 If the Board determines, in accordance with applicable Laws, that the Company requires financing to meet its operating and business requirements (including, without limitation, the requirements of the Capital Investment Programme) (“**Future Funding**”), then the manner of raising Future Funding, the quantum of Future Funding and the deployment of Future Funding shall be determined by the Board. Nothing contained herein shall be deemed to obligate the Investor to make any additional capital contributions to the Company.

99. GOVERNANCE OF THE COMPANY

- 99.1 The respective rights and obligations of the Shareholders in relation to the Company and the Business shall be regulated by the Charter Documents, specifically this Part B. The Shareholders shall comply with the provisions of this Part B and all other provisions of the Charter Documents which relate to them and such provisions of this Part B and other provisions of the Charter Documents shall be enforceable by the Shareholders amongst themselves in whatever capacity.
- 99.2 The Company shall comply with all of its obligations under the Charter Documents, specifically this Part B and the Transaction Documents.
- 99.3 Each Shareholder shall exercise all voting and other rights and powers vested in or available to it to procure the convening of all meetings, the passing of all resolutions and the taking of all steps to give effect to the provisions of this Part B.
- 99.4 The Promoters shall (so far as they lawfully can) exercise all voting rights as far as permitted by the applicable Laws so as to procure that at all times till the time this Part B remains operational: (i) the provisions concerning the structure and organisation of the Company and the regulation of its affairs as set out in this Part B are duly observed and given full force and effect; and (ii) all obligations of the Company under this Part B are duly fulfilled and performed and complied with.

100. THE BOARD AND SHAREHOLDER MEETINGS

100.1 Constitution of the Board

- 100.1.1 The Investor shall have the right to appoint and maintain in office one (1) non- retiring Director (“**Investor Nominee Director**”) till such time that the Investor is a Shareholder in the Company except for – (i) when due to Transfer of Equity Shares by the Investor, the Investor’s shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due

to issuance of further Equity Shares by the Company, the Investor's shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company. The Investor Nominee Director shall also be a member of all the present and future committees and sub-committees (except for the research committee and corporate social responsibility committee) constituted by the Board ("**Committee**"). The Investor Nominee Director shall not be required to hold any qualification shares of the Company or be liable to retire by rotation. It is further agreed that Mr. Uday Garg shall be the initial Investor Nominee Director and shall continue to be the Investor Nominee Director till such time he is associated with Mandala Capital Limited or its Affiliates and in his absence Mr. Dominic Redfern shall be the Investor Nominee Director till such time Mr. Dominic Redfern is associated with Mandala Capital Limited or its Affiliates and in his absence, any other person associated with Mandala Capital Limited or its Affiliates, who holds a similar designation as Mr. Uday Garg or Mr. Dominic Redfern shall be nominated to be the Investor Nominee Director. Notwithstanding the foregoing, the Investor shall, subject to consent of Samir Somaiya, have the right to nominate any other person associated with Mandala Capital Limited or its Affiliates as the Investor Nominee Director.

100.1.2 The Investor Nominee Director may be removed as a Director of the Company at any time by notice in writing to the Company by the Investor and in such event the Company shall undertake all steps to replace such Director from his position(s) and appoint another Director, as nominated by the Investor in his place in accordance with Article 100.1 and the Charter Documents.

100.1.3 The Investor Nominee Director shall (so far as it legally can) be entitled to disclose from time to time, any and all information received by it to the Investor.

100.1.4 The Investor Nominee Director shall not be responsible for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Laws and shall not be considered to be an "officer in default" (under the Act) or an "occupier" (of the Company's premises) or "a person in charge of and responsible to the Company for the conduct of business of the Company" to the extent permitted under applicable Laws. In the event that any notice or proceedings have been filed against an Investor Nominee Director by reason of such Investor Nominee Director being included within the scope of "officer(s) who is in default" or "a person in charge" or "occupier", the Company shall and the Promoters (in their capacity as shareholders) shall ensure that the Company shall (i) take all reasonable efforts so that the name of the Investor Nominee Director is excluded; and the charges/proceedings against such Director are withdrawn; (ii) take, and cause all best reasonable steps to be taken, to defend the Investor Nominee Director against such proceedings; and (iii) pay all costs, damages, fines that may be levied against the Investor Nominee Director.

100.2 Alternate Directors

100.2.1 The Investor Nominee Director shall be entitled to nominate an alternate (and such nominee shall be appointed by the Board as an alternate Director) to attend and vote at Board meetings or meeting of Committee in his/ her absence. Such appointee shall be required to be approved in writing by the Investor. Upon such nomination, approval and appointment, the alternate Investor Nominee Director shall be entitled to constitute the quorum, vote, issue consent, sign a written resolution and exercise all such rights to which the Investor Nominee Director is entitled. It is agreed that Mr. Dominic Redfern shall be the initial alternate director till such time Mr. Uday Garg is the Investor Nominee Director and thereafter, any other person associated with Mandala Capital Limited or its Affiliates, who holds a similar designation as Mr. Uday Garg or Mr. Dominic Redfern shall be nominated to be the alternate director. Notwithstanding the foregoing, the Investor Nominee Director shall, subject to consent of Samir Somaiya, have the right to nominate any other person associated with Mandala Capital Limited or its Affiliates as the alternate director.

100.3 Observer

100.3.1 The Investor shall also have the right to appoint and remove from time to time one Board observer ("**Observer**"), who shall be entitled to attend all Board meetings and meetings of the Committee and be given all relevant information as is provided to the Board members, but such Observer shall not be entitled to participate in discussions or vote at the Board meetings or at the meetings of the Committee. The Investor shall have the right to appoint the Observer till such time the Investor continues to remain a Shareholder, except for – (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the

Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.

100.4 Meetings of the Board

100.4.1 Meetings of the Board shall be held at least once every three (3) months and otherwise as often as circumstances require. All meetings of the Board shall be conducted in English. The Company shall keep a book of all resolutions and the minutes of all meetings of the Board in which there shall be recorded the time and place of such meeting, the notice thereof given, the names of those present and the proceedings thereof.

100.4.2 At least fourteen (14) Business Days prior written notice of a Board meeting shall be given to each Director and his alternate (if any), provided a meeting of the Board may be convened at shorter notice with the consent of all the Directors (including the Investor Nominee Director) (the "**Meeting on Shorter Notice**") in accordance with the provisions of the Act. All notices for meetings (including for Meeting on Shorter Notice) of the Board shall be in writing, shall specify the detailed agenda setting forth the business to be transacted, identifying in reasonable detail the issues to be considered by the Directors at any such meeting along with the copies of the relevant papers to be discussed at the meeting to all the Directors. No business shall be transacted at the meeting of the Board, which requires a resolution to be passed on any Reserved Matter without the Investor Nominee Director present/participating.

100.4.3 The Parties hereby agree that in addition to matters which are required under applicable Laws to be approved by the Board, the following actions, prior to being undertaken by the Company, shall also be required to be approved by the Board and shall be included in the notice or agenda sent for the relevant Board meeting of the Company:

- (i) creation or modification of any employee stock option or other equity incentive plan and approval of any option or incentive grants;
- (ii) adoption of Financial Statements;
- (iii) appointment or change of the statutory or internal auditors of the Company;
- (iv) changes to accounting or tax policies or practices (other than those required by applicable Laws);
- (v) amendment / modification to the loan agreements/ arrangements.

100.4.4 The Investor shall have the rights provided in Articles 100.4.2 and 100.4.3 above, till such time the Investor remains a Shareholder, save and except for - (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.

100.4.5 The quorum for any meeting of the Board shall be such number of Directors as is required under the Act.

100.4.6 Directors shall be afforded the opportunity to and may participate in a meeting of the Board by means of videoconference or similar communication means such that all persons participating in the meeting can hear each other, and participation in a meeting without interruption in communications and in accordance with the procedure prescribed under applicable Laws. The participation of a Director, pursuant to this provision shall, unless prohibited by applicable Laws shall be counted towards a valid quorum for such meeting.

100.5 Except for resolutions which the Act requires to be passed at a physical meeting of the Board, a resolution of the Board may be passed by the Directors by circulation. A written resolution circulated to all the Directors of the Board, whether in India or overseas and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board, called and held in accordance with these Articles and the Charter

Documents (provided that it has been circulated in draft form, together with the relevant papers, if any, to all the Directors).

100.6 A decision shall be validly made and/ or a resolution validly passed at a meeting of the Board only if passed at a validly constituted meeting and (except as otherwise provided under applicable Laws) by a simple majority of the Directors present and voting at the relevant meeting of the Board. Each Director shall be entitled to one vote. Further, in case of Reserved Matters, for resolutions to be construed as being validly passed, the same shall also be required to comply with the provisions of Article 101.

100.7 The provisions pertaining to convening and conduct of meeting of the Board shall apply *mutatis mutandis* in relation to all the meetings of the Committees.

100.8 Quorum for Shareholders Meeting

100.8.1 Meetings of the Shareholders shall be called at such times as may be required by the Charter Documents and by the Act, and in any event at least once in each calendar year. The quorum for a Shareholders meeting shall be as is required under the Act.

100.8.2 The presence of an authorized representative of a Shareholder, whether in person or through electronic means (whether by way of video-conferencing or other means of communications), to the extent permitted under the applicable Laws, shall be counted towards the valid quorum of the concerned Shareholders meeting.

100.9 Notice of Shareholders Meetings

100.9.1 Unless otherwise agreed in writing by the Shareholders and subject to the provisions of the Act, at least twenty one (21) days prior written notice shall be given by the Company to its Shareholders of any proposed Shareholders meeting in accordance with the provisions of the Act. The Shareholders meeting may also be held at a shorter notice as per the provisions of the Charter Documents and the Act.

100.9.2 Every notice of a proposed Shareholders meeting shall be accompanied by a statement specifying the general nature of the business to be conducted at such meeting and the effect of the proposed resolution in respect of such business. The relevant notice and agenda shall be sent by facsimile transmission, to be followed immediately by confirmation by mail or by hand or by way of electronic mode in accordance with the provisions of the Act. Without prejudice to any other provision of the Articles, no item, which is not specified in the notice convening any Shareholders meeting shall be discussed or resolved upon at such Shareholders meeting.

100.10 Voting

100.10.1 Voting at Shareholders meetings shall always be by way of poll, unless the members present at a Shareholders meeting, including the authorized representative(s) of the Investor, unanimously agree to have voting at such Shareholders meeting by “show of hands”. The Shareholders shall also be permitted to cast their vote through “postal ballot” to the extent permissible under the applicable Laws.

101 RESERVED MATTERS

101.1 The following provisions shall be applicable with respect to the matters set out in Article 101.3 (“**Reserved Matters**”):

101.1.1 Till such time the Investor continues to remain a Shareholder, the Promoters (in their capacity as shareholders) shall ensure that no Reserved Matters shall be decided, acted upon or implemented by the Company (either directly by the Company itself or through any other entity Controlled, whether directly or indirectly, by the Company and/ or the Promoters or its Affiliates) without prior written approval of the Investor.

101.1.2 Till such time the Investor continues to remain a Shareholder, where any resolution relating to any of the Reserved Matters is placed before the Shareholders meeting of the Company and/ or meeting of the Board or any Committee, and in such meeting the Investor Nominee Director (in case of a meeting of the Board) or the Investor or the duly authorized representative of the Investor (in case of a meeting of

Shareholders) is present, then no such resolution shall be deemed to have been passed unless the Investor Nominee Director or the Investor or its duly authorized representative of the Investor, as applicable, votes in favour of such resolution.

- 101.1.3 Till such time the Investor continues to remain a Shareholder, in the event the Investor Nominee Director or the duly authorized representative of the Investor are not present in a Shareholders meeting of the Company and/ or meeting of the Board or any Committee, wherein any resolution relating to any of the Reserved Matters is placed and the Investor or its Investor Nominee Director, as the case may be, informs, in writing, the Company or the Board of its approval for such resolution being passed on any Reserved Matter (notwithstanding their inability to participate/ attend) prior to such meeting then a resolution may be passed by the Board or Shareholders on such Reserved Matter (notwithstanding the absence of the participation/ attendance of the Investor's authorized representatives or Investor Nominee Director, as the case may be).
- 101.1.4 Till such time the Investor continues to remain a Shareholder, in the event the Investor Nominee Director or the duly authorized representative of the Investor are not present in a Shareholders meeting or the Company and/ or meeting of the Board or any Committee, wherein any resolution relating to any of the Reserved Matters is placed and, then, such resolution, if can be validly passed in accordance with the applicable Laws, on such matter shall be subject to receipt of written approval of the Investor. Upon completion of such Shareholders meeting/ Board meeting or any Committee, the Company shall immediately notify the Investor of such resolution and then within twenty five (25) days of receipt of such notification, Investor shall inform the Company, in writing, of its approval or disapproval of such resolution, as the case may be and in the event the Investor does not inform the Company its approval or disapproval in writing within the specified time, the Investor shall deemed to have approved the such resolution.
- 101.2 Notwithstanding anything contained herein to the contrary, the Investor shall have the rights stated in the Article 101.1 above, so long as it is a Shareholder except for – (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's Shareholding stands diluted and drops below five percent (5%) of the paid up share capital of the Company.
- 101.3 The following matters shall be considered as Reserved Matters:
- (i) Any modification to the equity capital structure of the Company, otherwise than through issue of any equity shares, compulsorily and mandatorily convertible preference shares or compulsorily and mandatorily convertible debentures, in accordance with these Articles.
 - (ii) Any change from the Capital Investment Programme, which exceeds the allocated budget for any activity under the Capital Investment Programme by 20%.
 - (iii) Altering rights or terms of any class of securities of the Company.
 - (iv) Authorization of any incurrence of indebtedness such that the debt: equity ratio of the Company exceeds 5:1.
 - (v) Save and except for creation of pledge on the Equity Shares of the Company required pursuant to any loan from a financial institution for the purposes of Business, creation of pledge on the Equity Shares of the Company or extending any guarantee or commitment to secure any loan either by the Company or for any third person.
 - (vi) Distribution of dividends, redemptions or repurchases in respect of any class or series of securities.
 - (vii) Any change in Control of the Company.
 - (viii) Merger, demerger, compromise, settlement, arrangement, reconstruction or amalgamation, and any other form of restructuring in accordance with the provisions of the Act, whichever is applicable. Sale or transfer of any assets or Business of the Company, in aggregate (whether by

way of a single transaction or by way of a series of transactions) exceeding 10% of the net asset value in a financial year, excluding products inventory sold on an arms' length basis in the ordinary course of business.

- (ix) Any public issue or public listing of the Company's securities, wherein the (i) aggregate valuation of the Equity Shares of the Company is less than Rs. 12,000,000,000 (Twelve Hundred Crores); or (ii) the aggregate proceeds proposed to be raised by the Company from such public issue or public listing is less than Rs. 15,00,000,000 (Rupees One Hundred Fifty Hundred Crores).
- (x) Any amendment of the articles of association or memorandum of association of the Company affecting the rights of the Investor under Law.
- (xi) Other than in the manner approved by the Board (a) acquisition of any securities or voting power in any third party; (b) entering into any joint venture; (c) profit sharing arrangement or similar arrangement with any third party; or (d) any related party transactions and approval of any payments under related party transactions.
- (xii) Prepayment of any related party creditor, which creditor is existing as on the Effective Date.
- (xiii) Any decision relating to the appointment or termination of managing director (save and except for the appointment or reappointment of Samir Somaiya as the managing director).
- (xiv) Settlement, or commencement, of any material litigation (involving an amount in excess of 10% of the net worth of the Company calculated in accordance with the Act).
- (xv) Expenditure on 'corporate social responsibility' related initiatives of the Company, exceeding any of the following limits in a financial year:
 - (a) 10% (ten percent) of the net profits (calculated in accordance with the Act) of the Company in the immediately preceding financial year; or
 - (b) Rs. 2 (two) crores in case there were no profits in the Company in the immediately preceding financial year.

102. PRE-EMPTIVE RIGHT AND ANTI-DILUTION

- 102.1 The Investor shall have the right to participate in any further issuance of Equity Shares or instruments which are fully and mandatorily convertible into Equity Shares in proportion to its then existing shareholding in the Company.
- 102.2 In case any further issuance is done by the Company by way of issuance of instruments which are not fully and mandatorily convertible into Equity Shares, then in such cases, at the time of conversion of such instruments into Equity Shares, if any, the Investor shall have the right to subscribe to such number of additional Equity Shares in the Company such that the shareholding percentage of the Investor in the Company post such conversion does not stand diluted.
- 102.3 The Parties hereby agree that the subscription of the additional Equity Shares or other instruments by the Investor shall be at a price determined by the Board but shall be at no less favourable terms than are offered to the other third party. The Parties hereby further agree that the subscription of the additional Equity Shares or other instruments by the Investor, may be done by the Investor by itself and/ or through any of its Affiliates.
- 102.4 The Parties agree that any further round of future funding by any other third party would not be at a valuation lower than the Post Money Valuation, without the express written consent of the Investor.
- 102.5 The Parties agree that the Company may issue additional equity shares or instruments compulsorily and mandatorily convertible into equity shares or buy back its existing securities, if required in order to comply with any regulatory or judicial order binding on the Company. Further, the Parties agree that any such issuance shall be in compliance with the provisions of Articles 102.1 to 102.4 above, unless otherwise agreed by the Parties.

- 102.6 The Investor shall have the rights provided in Articles 102.3 and 102.4 above, till such time the Investor remains a Shareholder, save and except for - (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.

103. RESTRICTIONS ON TRANSFER OF SHARES

103.1 General

- 103.1.1 The Investor or the Promoter shall not, directly or indirectly, Transfer any Shares of the Company or any right, title or interest therein or thereto, except as expressly permitted by the provisions of these Articles. Any attempt to Transfer any Shares of the Company in violation of these Articles shall be null and void *ab initio*.
- 103.1.2 The Company hereby agrees and undertakes that it shall not recognize and/or record any Transfer of the Equity Shares of the Company that is not in accordance with the terms of these Articles. Subject to the above, within ten (10) Business Days after registering any Transfer of Equity Shares in the Company in the register of members or other appropriate record, the Company shall send a notice to the Investor and Promoters, stating that such Transfer has taken place and setting forth the name of the transferor, the name of the transferee and the number and type of Shares of the Company involved, including the price at which the Shares of the Company have been transferred.
- 103.1.3 Notwithstanding any other provision of these Articles, no Transfer of Shares of the Company may be made other than pursuant to these Articles, unless (a) the transferee has agreed to be bound by the terms and conditions of the Articles and has executed a Deed of Adherence, (b) the Transfer complies in all respects with the other applicable provisions of the Articles and (c) the Transfer complies in all respects with applicable Laws.
- 103.1.4 In the event of transmission of Shares of the Company to an heir of an individual Shareholder, upon the death of such Shareholder, the heir shall, as a condition precedent to such transmission, be bound by the Charter Documents of the Company, and shall be deemed to have accepted to be so bound by the act of accepting such transmitted Shares.

103.2 Transfer of Shares by the Investor

- 103.2.1 The Investor may Transfer all or any of its shareholding in the Company to an Affiliate.
- 103.2.2 In case of transfer of Shares by any Investor to its Affiliate, such Affiliate shall execute the Deed of Adherence. If at any point in time, such Affiliate ceases to be an Affiliate of the Investor then such Affiliate would be required to transfer its Equity Shares back to the Investor. In case of Transfer of Equity Shares by Investor to its Affiliate, the provision contained in Article 103.7 shall not be applicable.
- 103.2.3 The Investor shall be free to sell its shareholding in the Company, either in part or in full, to any third party(ies) other than to any Competitor(s). However, the foregoing restriction shall not be applicable on the Investor in case of (a) expiry of seven (7) years from the Closing Date; or (b) occurrence of an 'Event of Default'— arising due to acts or omissions of the Promoter.
- 103.2.4 Notwithstanding what is stated in this Article 103.2, upon the Transfer of any Equity Shares by the Investor to an Affiliate or a third party, such Affiliate or third party transferee shall not be entitled to any rights under these Articles other than rights which such Affiliate or the third party transferee, as the case may be, would be entitled to under the Act, unless specifically agreed otherwise between the Parties.

103.3 Right of First Offer

- 103.3.1 If at any time, the Selling Shareholder proposes to Transfer any of its Shares of the Company to a Person other than to an Affiliate, however, has not identified a purchaser for its Equity Shares, then the Investor shall have a right of first offer ("**Right of First Offer**"). The Selling Shareholder shall send an offer

notice (“**ROFO Notice**”) to the Investor setting out the number of Shares proposed to be offered by the Selling Shareholder (“**ROFO Shares**”), the proposed price range and other terms and conditions, if any.

- 103.3.2 Within thirty (30) days of the receipt of such ROFO Notice (“**ROFO Period**”), the Investor may send a written notice to the Selling Shareholder, confirming its acceptance or non-acceptance of the offer contained in the ROFO Notice. In case of acceptance of the offer contained in the ROFO Notice, the Investor shall in its communication also specify the price which falls within the proposed price range given in the ROFO Notice.
- 103.3.3 In the event, the Investor accepts the offer made in the ROFO Notice within the ROFO Period, in the manner stated above in Article 103.3.2 above, then it shall be entitled to purchase the ROFO Shares of the Selling Shareholder either by itself and/or through its Affiliates or through its nominees. Further, such purchase by Investor and/or its Affiliates must be completed within forty five (45) days of the expiry of the ROFO Period.
- 103.3.4 In the event the Investor does not accept the said offer made in the ROFO Notice or fails to respond to the ROFO Notice within the ROFO Period, then the Selling Shareholder may sell the ROFO Shares to any third party (“**Third Party Purchaser**”) in the manner as given in Article 103.3.5 and 103.3.6 below.
- 103.3.5 Once the Selling Shareholder has identified the Third Party Purchaser, then prior to the Transfer of ROFO Shares to such Third Party Purchaser, the Selling Shareholder shall provide a Tag Offer Notice to the Investor in accordance with Article 103.5.
- 103.3.6 The Transfer of ROFO Shares to Third Party Purchaser (along with any Equity Shares held by the Investor as specified by the Tag Acceptance Notice and Additional Tag Acceptance Notice shall be completed within forty five (45) days of the expiry of the ROFO Period and shall be on the price which has been specified in the Tag Offer Notice, which price must fall within the price range specified in the ROFO Notice and on the other terms and conditions, if any, specified in the ROFO Notice. For clarity it is hereby agreed that in case the Investor does not exercise its Tag Along Right upon receipt of the Tag Offer Notice, then in such an event any Transfer of ROFO Shares to the Third Party Purchaser shall be completed within the time period and in the manner as specified aforesaid in this Article 103.3.6.
- 103.3.7 In the event the Transfer of ROFO Shares is not completed in the manner provided in Articles 103.3.5 and 103.3.6 above and the Selling Shareholder still wishes to Transfer the said ROFO Shares to an unidentified Third Party Purchaser then the process as described in Articles 103.3.1 to 103.3.6 above shall be repeated. Further, in the event the Transfer of ROFO Shares is not completed in the manner provide in Articles 103.3.5 and 103.3.6 above, for any reason whatsoever, and the Selling Shareholder proposes to Transfer the ROFO Shares to the identified Third Party Purchaser, then the process as described in Articles 103.4.1 to 103.4.5 below shall be followed.
- 103.3.8 The Investor shall have the rights provided in Articles 103.3.1 to 103.3.7 above, till such time the Investor remains a Shareholder, save and except for - (i) when due to Transfer of Equity Shares by the Investor, the Investor’s shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor’s shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.

103.4 Right of First Refusal

- 103.4.1 If at any time, the Selling Shareholder proposes to Transfer any of its Shares in the Company to any Person other than to an Affiliate on account of a situation other than those covered under Article 103.3 above, then the Investor shall have a right of first refusal (“**Right of First Refusal**”) on same terms and conditions (including price) as offered by the proposed buyer (“**Proposed Buyer**”) to the Selling Shareholder. The Selling Shareholder shall send an offer notice (“**ROFR Notice**”) to the Investor setting out the details, namely, the identity of the Proposed Buyer, the number of Equity Shares proposed to be sold by the Selling Shareholder (“**ROFR Shares**”), the price and other terms and conditions, if any.
- 103.4.2 Within thirty (30) days of the receipt of such ROFR Notice (“**ROFR Period**”), the Investor may send a written notice to the Selling Shareholder of either its acceptance or non-acceptance of the offer contained in the ROFR Notice. In the event, the Investor accepts the offer made by the Selling Shareholder in the

ROFR Notice within the ROFR Period, in the manner stated above, then the Investor shall be entitled to purchase the ROFR Shares from the Selling Shareholder either itself and/or through its Affiliates or through its nominees. Further, such purchase of ROFR Shares by the Investor and/or its Affiliates must be completed within forty five (45) days of the expiry of the ROFR Period.

103.4.3 In the event the Investor does not accept the offer made in the ROFR Notice within the ROFR Period or fails to respond to the ROFR Notice within the ROFR Period, then the Selling Shareholder may Transfer the ROFR Shares to the Proposed Buyer in the manner contemplated in Article 103.4.4 below.

103.4.4 Prior to the Transfer of ROFR Shares to the Proposed Buyer, the Selling Shareholder shall provide a Tag Offer Notice to the Investor in accordance with Article 103.5. The Transfer of ROFR Shares by the Selling Shareholder to the Proposed Buyer (whether with or without the Investor exercising its Tag Along Right as described in Article 103.5 below) must be completed within forty five (45) days of the expiry of the ROFR Period and shall be on a price specified in the ROFR Notice and on such terms and conditions, if any, as specified in the ROFR Notice.

103.4.5 In the event the Transfer of ROFR Shares is not completed in the manner stated in Article 103.4.4 above, or in the event the Selling Shareholder proposes to Transfer the ROFR Shares to the Proposed Buyer at a price which is not same as the price mentioned in the ROFR Notice, then the process described in Articles 103.4.1 to 103.4.4 shall be repeated.

103.4.6 The Investor shall have the rights provided in Articles 103.4.1 to 103.4.5 above, till such time the Investor remains a Shareholder, save and except for - (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.

103.5 Tag Along Right

103.5.1 Prior to the Transfer of ROFO Shares to any Third Party Purchaser or prior to the Transfer of ROFR Shares to the Proposed Buyer, as the case may be, the Selling Shareholder shall send a written notice to the Investor proposing if the Investor wishes to tag its Shares along with the ROFO Shares or ROFR Shares, as the case may be ("**Tag Offer Notice**"). Where the Tag Offer Notice relates to the ROFO Shares, the Tag Offer Notice must also specify the identity of the Third Party Purchaser and the exact sale price (which price must fall within the price range specified in the ROFO Notice).

103.5.2 Each Tag Offer Notice sent in accordance with Article 103.5.1 above shall provide the Investor with fifteen (15) days period to either accept or reject the offer made in Tag Offer Notice. In the event, the Investor accepts the offer made in the Tag Offer Notice then the Investor shall send a written notice ("**Tag Acceptance Notice**") to the Selling Shareholder. In the Tag Acceptance Notice the Investor shall specify the number of Equity Shares it proposes to tag with the ROFO Shares or ROFR Shares, as the case may be, and the Investor shall be entitled to exercise its tag along right ("**Tag Along Right**") in the following manner:

- (i) In case the Shareholding of the Investor in the Company falls below the following percentage: (i) seven percent (7%) of the paid up share capital of the Company due to Transfer of Equity Shares by the Investor; or (ii) five percent (5%) of the paid up share capital of the Company due to issuance of further Equity Shares by the Company, the Investor may, at its discretion, require the Selling Shareholder to cause the Third Party Purchaser or the Proposed Buyer, as the case may be, to purchase the entire or lesser shareholding of the Investor on terms and conditions (including price) no less favorable than the sale of the ROFO Shares or ROFR Shares, as the case may be. For avoidance of doubt it is clarified that in the event the Shareholding of the Investor in the Company falls below the percentage specified aforesaid in this Article, then the Selling Shareholders shall not be required to provide the Investor the ROFO Notice or the ROFR Notice, as the case may be, and shall be required to directly send the Investor the Tag Offer Notice.
- (ii) In case of a 'Control Transaction', the Investor may, at its discretion, require the Selling Shareholder to cause the Third Party Purchaser or the Proposed Buyer, as the case may be, to purchase the entire

or lesser shareholding of the Investor on terms and conditions (including price) no less favorable than the sale of the ROFO Shares or ROFR Shares, as the case may be.

- (iii) In case of a transaction which is not a 'Control Transaction' and the shareholding of the Investor in the Company is not below the thresholds specified in Article 103.5.2 (i) above, the Investor may, at its discretion, require the Selling Shareholder to cause the Third Party Purchaser or the Proposed Buyer, as the case may be, to purchase the proportionate or lesser shareholding of the Investor on terms and conditions (including price) no less favorable than the sale of the ROFO Shares or ROFR Shares, as the case may be.

The proportionate number of Equity Shares of the Investor to be tagged in case of a transaction which is not a 'Control Transaction' = $A*B/C$, where

A = Number of shares held by the Investor at the time of proposed transfer by the Selling Shareholder.

B = Number of ROFO Shares or ROFR Shares, as the case may be.

C = Total number of shares held by the Selling Shareholder immediately prior to the proposed transfer to the Third Party Purchaser or the Proposed Buyer, as the case may be.

(By way of illustration, if A is 10, B is 45 and C is 90; then $A*B/C = 10*45/90 = 10*1/2 = 5$.)

Thus, if the Selling Shareholder is selling one half of its shareholding then the Investor would also be entitled to tag upto one half of its shareholding if the transaction is not a 'Control Transaction'.)

- 103.5.3 It is hereby agreed that where the Transfer of Equity Shares of the Selling Shareholder to any Third Party Purchaser or the Proposed Buyer, as the case may be, clubbed with the relevant number of Equity Shares of Investor (where the Investor has exercised its Tag Along Right in accordance with this Article 103.5) would result in any of the consequences mentioned in the meaning of 'Control Transaction' (as given in Article 103.5) or Investor Shareholders shareholding in the Company diluting below seven percent (7%) of the paid up share capital of the Company due to exercise of Tag Along Right in accordance with Article 103.5 above, then the Investor may send an additional tag along acceptance notice ("**Additional Tag Acceptance Notice**") thereby increasing the number of Equity Shares that it proposes to tag along with ROFO Shares or ROFR Shares, as the case may be, and such increased number of Equity Shares may, at Investor's discretion, go up to Investor's entire or lesser shareholding in the Company.

- 103.5.4 Where the Investor has sent a Tag Acceptance Notice and/ or Additional Tag Acceptance Notice to the Selling Shareholder, then the Selling Shareholder shall not Transfer any Equity Shares to any Third Party Purchaser or the Proposed Buyer, as the case may be, unless such Third Party Purchaser or such Proposed Buyer, as the case may be, is also willing to purchase the shareholding of the Investor as specified by the Investor in its Tag Acceptance Notice and/ or the Additional Tag Acceptance Notice.

103.6 Execution of Deed of Adherence/ Transfer of Shares by Promoter to its Affiliates

Execution of Deed of Adherence by Third Party Purchaser/ Proposed Buyer

- 103.6.1 At the time of Transfer of ROFO Shares or ROFR Shares, as the case may be, without the entire shareholding of the Investor being tagged along in such Transfer (whether on account of the Investor not having accepted the ROFO Notice/ ROFR Notice, or whether on account of being a transaction which is not a 'Control Transaction', or whether on account of Investor not having exercised its Tag Along Right, or whether on account of Investor not sending Additional Tag Acceptance Notice or otherwise), the Selling Shareholder shall cause the Third Party Purchaser or the Proposed Buyer, as the case may be, to execute a Deed of Adherence.

Execution of Deed of Adherence by the Affiliate of the Promoters

- 103.6.2 Notwithstanding anything stated above, the Promoters shall at all time be permitted to Transfer their Shares to an Affiliate(s) and such Transfer shall not be subject to the conditions stipulated in this Article 103. In case of Transfer of Shares by any Promoters to its Affiliate, such Affiliate shall execute a Deed of Adherence. If at any point in time, such Affiliate ceases to be an Affiliate of such Promoters then such Affiliate would be required to transfer its Shares back to such Promoters.

103.6.3 Notwithstanding anything stated above, any pledge of Shares by the Promoters in favour of any bank or a financial institution or a non-banking financial company for the purpose of to the Business of the Company shall not be subject to the restrictions stipulated in this Article 103.

103.7 Right of First Offer of Samir Somaiya

103.7.1 Save and except for Transfer of Equity Shares by the Investor to its Affiliates in accordance with the provisions of Article 103.2, the Parties agree that this Article 103.7 shall be applicable in relation any other Transfer of Equity Shares by the Investor.

103.7.2 If at any time, the Investor proposes to Transfer any of its Shares to any Person other than to an Affiliate, however, has not identified a purchaser for its Shares, then Samir Somaiya shall have a right of first offer on the Shares proposed to be Transferred by the Investor ("**Samir Somaiya's Right of First Offer**"). The Investor shall send an offer notice ("**Investor ROFO Notice**") to Samir Somaiya setting out the number of Equity Shares proposed to be offered by the Investor ("**Investor ROFO Shares**"), the proposed price range and other terms and conditions, if any. Within thirty (30) days of the receipt of such Investor ROFO Notice ("**Investor ROFO Period**"), Samir Somaiya may send a written notice to the Investor either communicating his acceptance or non-acceptance of the offer contained in the Investor ROFO Notice. In the event of acceptance of the offer specified in the Investor ROFO Notice, Samir Somaiya shall also specify the price which falls within the proposed price range given in the Investor ROFO Notice.

103.7.3 In the event Samir Somaiya accepts the offer made in the Investor ROFO Notice within the Investor ROFO Period, in the manner stated Article 103.7.2 above, then it shall be entitled to purchase the Investor ROFO Shares of the Investor either by itself and/or through his Affiliates or through his nominees, including other Promoters. Further, such purchase by Samir Somaiya and/ or his Affiliates must be completed within 45 (forty five) days of the expiry of the Investor ROFO Period.

103.7.4 In the event Samir Somaiya does not accept the offer made in the Investor ROFO Notice or fails to respond to the Investor ROFO Notice within the Investor ROFO Period, then the Investor may sell the Investor ROFO Shares to a third party ("**Investor's Third Party Purchaser**") in the manner as given in Article 103.7.5 below.

103.7.5 The Transfer of Investor ROFO Shares to Investor's Third Party Purchaser shall be completed within forty five (45) days of the expiry of the Investor ROFO Period and shall be at a price which falls within the price range specified in the Investor ROFO Notice. In case such Transfer is not completed in the foregoing paragraph and the Investor still wishes Transfer such Investor ROFO Shares, or if the Investor proposes to Transfer the Investor ROFO Shares to the Investor's Third Party Purchaser on a price which falls outside the price range mentioned in the Investor ROFO Notice, then the process specified in Articles 103.7.2 to shall be repeated.

103.7.6 This Article 103.7 shall not be applicable after the completion of the IPO.

104. **INITIAL PUBLIC OFFERING**

104.1 After the execution of the Capital Investment Programme has been completed or three (3) years since the Effective Date, whichever is earlier, the Company shall start preparations to be ready for an IPO and the Investor and the Company shall discuss the options and timing available for the IPO. In the event there has been no IPO event within five (5) years since the Effective Date, then the Investor may require the Company to launch an IPO at any time thereafter.

104.2 To the extent permissible under the applicable Laws, the Parties hereby agree that the Investor shall not be considered as a 'promoter' of the Company, therefore the Equity Shares held by the Investor shall not be subject to any lock-in conditions applicable to promoters under the applicable Laws, for and after the IPO. If any Equity Shares are to be made subject to any lock-in condition in connection with any IPO, then the Promoters shall first offer their Equity Shares towards such lock-in.

104.3 Investor Rights after the IPO

104.3.1 Notwithstanding what is stated in these Articles, it is hereby confirmed and clarified that upon the Company having an IPO, the Investor shall not be entitled to any rights under these Articles other than rights which it would be entitled to as a Shareholder under the Act or other relevant applicable Laws.

105. INFORMATION AND INSPECTION RIGHTS

105.1 The Investor shall at all times during normal business hours be entitled, subject to reasonable written notice being given to the Company, to visit the offices of the Company and to inspect and audit its contracts, data base, corporate documents, financials and other information relating to the Company.

105.2 The Company shall (and the Promoters shall cause the Company to) deliver to the Investor the following information and documents:

- (i) By not later than the thirty (30) days following the end of the month to which they relate, monthly performance reports for the Company containing such information as is required to understand the operation of the Business of the Company and as shall assist the Shareholders to be kept adequately informed.
- (ii) Unaudited quarterly Financial Statements, within ninety (90) days from the end of the period to which they relate, duly certified by the chief financial officer as having been prepared in accordance with Indian GAAP.
- (iii) Annual audited Financial Statements for the Company, within one hundred twenty (120) days from the end of the period to which they relate, duly certified by the chief financial officer of the Company as having been prepared in accordance with Indian GAAP, and a copy of the Auditors' annual report for the Company, within one hundred twenty (120) days from the end of the period to which it relates.
- (iv) Detailed annual budget and operating plan at least thirty (30) days prior to the commencement of the budget period and performance-to-budget reports.
- (v) (a) Minutes of all Board meetings (b) Minutes of any Committee meetings except for research committee meetings, (c) Minutes of Shareholders meetings; within 90 (ninety) days of such meeting.
- (vi) Within 30 (thirty days) of end of the relevant quarter, the following quarterly reports:
 - (a) analysis of variance from the then current annual budget;
 - (b) projection of any debt and equity requirements for each of the next two financial quarters; and
 - (c) management accounts of the Company.
- (vii) Progress reports, work plan, work audit and other studies conducted by any service providers, including project consultant, vendors, and contractors, which are referred to in the Board meeting and are available with the Company, shall be furnished to the Investor within 15 (fifteen) days of being requested by the Investor.
- (viii) notification in writing of any threatened, or contemplated Litigations (involving an amount in excess of Rs. 5 (five) Crores) by or against the Company, within 30 days of the Company becoming aware of such threatened or contemplated Litigation.
- (ix) Any other information/ documents reasonably requested by the Investor.

Further, in the event - (i) when due to Transfer of Equity Shares by the Investor, the Investor's shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor's

shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company, the Company shall be required to furnish to the Investor only the items (ii), (iii) and (v) mentioned above and shall not be under any obligation to provide other items mentioned above. Further, with respect to item (v) above, the Company shall be required to provide the Investor an opportunity to read the documents referred to in item (v)(a) and (v)(c) therein within seven (7) days of a written request being made by the Investor.

106. MOST FAVOURED RIGHT

- 106.1 Save and except as provided in the Article 106.2 below, the rights of the Investor shall not be less favorable than any other Shareholder (present or future) of the Company till such time that the Investor is a Shareholder in the Company except for – (i) when due to Transfer of Equity Shares by the Investor, the Investor’s shareholding in the Company drops below seven percent (7%) of the paid up share capital of the Company; or (ii) when due to issuance of further Equity Shares by the Company, the Investor’s shareholding in the Company stands diluted and drops below five percent (5%) of the paid up share capital of the Company.
- 106.2 Even after the Investor becomes a Shareholder of the Company, Samir Somaiya and the members of ‘Somaiya Group’ (as defined in the Charter Documents of the Company) shall be entitled to enjoy and exercise the same rights, which were accorded to Samir Somaiya and the members of the said ‘Somaiya Group’ under the Charter Documents of the Company prior to the amendment to the Chartered Documents to reflect the terms of the Transaction Documents.

107. GOVERNING LAW AND JURISDICTION

- 107.1 This Part B shall be subject to, governed by, construed and interpreted in accordance with Law of India.
- 107.2 Subject to Article 108, the Courts in Mumbai, India shall have exclusive jurisdiction in relation to disputes arising under this Part B.

108. DISPUTE RESOLUTION

- 108.1 Any dispute, difference, controversy or claim between (i) the relevant Promoters and/ or the Company, as the case may be, collectively, (ii) the Investor (each of (i) and (ii) a **“Disputing Party”** and together the **“Disputing Parties”**) arising out of, under or in connection with, this Part B (including but not limited to any question regarding its existence, validity, interpretation or operation) (a **“Dispute”**) shall, upon a written request (a **“Request”**) of any Disputing Party, be referred in the first instance to such senior officers of the Disputing Parties as may be designated by them (the **“Senior Officers”**) for resolution. The Request shall set out brief details of the Dispute. The Senior Officers shall promptly, and in no event later than thirty (30) days from the date of such Request, meet or otherwise communicate and attempt to negotiate in good faith an expeditious resolution of the Dispute. In the event resolution of the Dispute is reached pursuant to this Article 108.1, the resolution and its terms shall be recorded in writing and signed by an authorised representative of each of the Disputing Parties.
- 108.2 If the Disputing Parties are unable to resolve a Dispute through negotiation under and in accordance with Article 108.1 within thirty (30) days after service by a Disputing Party of a Request, any Disputing Party shall be entitled to give written notice (an **“Arbitration Notice”**) to the other Disputing Party(ies) requiring that the Dispute be referred to and resolved by arbitration under the (Indian) Arbitration and Conciliation Act, 1996 as in force at the time of any such arbitration, and the provisions thereof shall be deemed to be incorporated by reference into this Article 108. The Arbitration Notice shall summarise the basis of the Dispute and name the other party(ies) to the Dispute.
- 108.3 Any such Dispute shall be referred to and resolved by arbitration irrespective of the amount in Dispute. This Part B and the rights and obligations of the Parties shall remain in full force and effect pending the award in such arbitration proceeding, which award may, *inter alia*, determine whether and when the provisions of this Part B would cease to be in operation.
- 108.4 The seat or place of arbitration shall be Mumbai and the language of the arbitration shall be English. The arbitration shall be conducted before an arbitral tribunal composed of three arbitrators. As set out under Article 108 of this Part B, the governing Law of this Part B shall be the Laws of India.

- 108.5 The three person arbitral tribunal shall be selected as follows:
- (i) each arbitrator shall be fluent in English; and
 - (ii) each of (a) the relevant Promoters and/ or Company, as the case may be (collectively); and (b) the Investor, shall nominate one arbitrator within fifteen (15) days of the Arbitration Notice. The two arbitrators shall within fifteen (15) days of their appointment appoint a third arbitrator.
- 108.6 Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Part B.
- 108.7 The award rendered shall be in writing and shall set out the facts of the Dispute and the reasons for the arbitral tribunal's decision. The award may apportion the costs of the arbitration, as the arbitral tribunal deems fair.
- 108.8 No Party or Person involved in any way in the initiation, coordination or operation of the arbitration of any Dispute may disclose the existence, content or results of the Dispute of any arbitration conducted under this Part B in relation to that Dispute, save and except if required to be disclosed / filed for the purposes of any legal proceedings adopted in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar agreement dated September 20, 2021 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer agreement dated September 24, 2021 entered into between our Company, the Selling Shareholders and the BRLMs.
3. Escrow and sponsor bank agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.
4. Share escrow agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated [●] entered into between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
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 as amended from time to time.
2. Certificate of incorporation dated January 12, 1956 issued by the Registrar of Companies, Bombay.
3. Fresh certificate of incorporation consequent upon the change of name of our Company dated November 10, 2006 issued by the Registrar of Companies, Maharashtra at Mumbai.
4. Resolution of the Board of Directors dated June 5, 2021 in relation to the Offer and other related matters.
5. Resolution of the Shareholders of our Company dated July 5, 2021, approving the Fresh Issue.
6. Resolution of the Board of Directors and IPO Committee of our Company dated September 8, 2021 and September 24, 2021, respectively, approving this Draft Red Herring Prospectus.
7. Resolution by the board of directors of the Investor Selling Shareholder dated June 15, 2021 authorising their participation in the Offer for Sale.
8. Resolution by the board of directors of the Corporate Promoter dated August 4, 2021, authorising their participation in the Offer for Sale.


9. Resolution by the board of directors of each of the Promoter Group Selling Shareholders, each dated August 4, 2021, authorising their respective participation in the Offer for Sale.
10. Consent letter dated September 7, 2021 from the Investor Selling Shareholder in relation to the Offer for Sale.
11. Consent letters dated August 4, 2021 respectively from each of the Promoter Selling Shareholders in relation to the Offer for Sale.
12. Consent letters dated August 4, 2021 from each of the Promoter Group Selling Shareholders, namely, Filmedia Communication Systems Private Limited, Somaiya Properties and Investments Private Limited, and Lakshmiwadi Mines and Minerals Private Limited.
13. Consent dated September 3, 2021 from Frost & Sullivan to rely on and reproduce part or whole of the “Global Biorefinery Market Report” and include their name in this Draft Red Herring Prospectus.
14. Consent dated September 24, 2021 from the Statutory Auditors to include their name as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated September 8, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated September 24, 2021 included in this Draft Red Herring Prospectus.
15. The examination report dated September 8, 2021 of the Statutory Auditors on our Restated Consolidated Financial Statements.
16. Agreement for License to Use Trademark dated May 28, 2021 between K.J Somaiya and Sons Private Limited and our Company.
17. Shareholders Agreement dated February 27, 2015 entered into by our Company, Samir Shantilal Somaiya, S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited, Sindhur Construction Private Limited and Mandala Capital AG Limited.
18. Waiver Letter dated September 24, 2021 entered into by our Company, Samir Shantilal Somaiya, S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited, Sindhur Construction Private Limited and Mandala Capital AG Limited pursuant to the SHA.
19. Share Subscription Agreement dated February 27, 2015 entered into by our Company, Samir Shantilal Somaiya, S.K. Somaiya HUF, Somaiya Properties and Investments Private Limited, Arpit Limited, Filmedia Communication Systems Private Limited, K.J. Somaiya and Sons Private Limited, Karnataka Organic Chemicals Private Limited, Somaiya Agencies Private Limited, Somaiya Chemical Industries Private Limited, Zenith Commercial Agencies Pvt. Ltd., Lakshmiwadi Mines and Minerals Private Limited, Sakarwadi Trading Company Private Limited, Jasmine Trading Company Private Limited and Sindhur Construction Private Limited and Mandala Capital AG Limited.
20. Memorandum of Understanding dated September 9, 2021 between our Company and K. J. Somaiya Institute of Applied Agricultural Research, represented by its Director, Dr. V.C. Patil.
21. Memorandum of Understanding dated April 9, 2021 between our Company and Dr. Sendurai Mani and the Addendum to the MoU dated September 9, 2021.
22. Memorandum of Understandings executed by our Company with Somaiya Properties and Investments Private Limited, Somaiya Chemical Industries Private Limited and Sakarwadi Trading Company Private Limited, each dated September 13, 2021.

23. Board resolution dated June 16, 2020 appointing Sangeeta Arunkumar Srivastava as an Executive Director, shareholders resolution dated October 30, 2020 approving the terms of appointment and board resolutions dated March 25, 2021 and September 8, 2021 revising certain terms of remuneration.
24. Board resolution dated September 8, 2021 appointing Suhas Uttam Godage as an Additional Executive Director (Works – Sakarwadi) and approving the terms of appointment.
25. The statement of possible special tax benefits dated September 24, 2021 from the Statutory Auditors.
26. Report titled “Global Biorefinery Market Report” dated August 31, 2021, prepared by Frost & Sullivan.
27. Letter of agreement of Frost & Sullivan as the industry and market data service provider on April 9, 2021.
28. Copy of the annual report of our Company for the last three Fiscals.
29. Consent of our Directors, BRLMs, Syndicate Members, the legal counsel to the Offer as to Indian law, legal counsel to the Investor Selling Shareholder as to Indian law, legal counsel to the Promoter Selling Shareholders and Promoter Group Selling Shareholders as to Indian law, Registrar to the Offer, Banker(s) to the Offer, Monitoring Agency, Frost & Sullivan, Bankers to our Company, Company Secretary, and Compliance Officer as referred to in their specific capacities.
30. Tripartite agreement dated July 15, 2019, among our Company, CDSL and the Registrar to the Offer.
31. Tripartite agreement dated August 23, 2016, among our Company, NSDL and the Registrar to the Offer.
32. Due diligence certificate dated September 24, 2021 addressed to SEBI from the BRLMs.
33. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
34. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Samir Shantilal Somaiya
(Chairman and Managing Director)

Place: **MUMBAI**

Date: **24-09-2021**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY


Sangeeta Arunkumar Srivastava
(Executive Director)


Place: MUMBAI

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Bhalachandra Bakshi
(Executive Director)


Place: SAMEERNADI, BAGALKOT DISTRICT

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



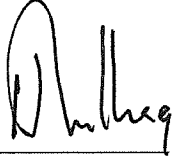
Suhas Uttam Godage
(Additional Executive Director (Works – Sakarwadi))

Place: *Ahmadnagar*
Date: 24-04-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Hemant Luthra
(Independent Director)

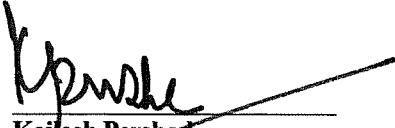
Place: **MUMBAI**

Date: **24-09-2021**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY


Kailash Pershad
(Independent Director)

Place: HYDERABAD

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Preeti Singh Rawat
(Non-Executive Director)

Place: MUMBAI

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

M. Lakshmi Kantam

Lakshmi Kantam Mannepalli
(Independent Director)


Place: *MUMBAI*

Date: *24-09-2021*

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY


Sanjay Puri
(Independent Director)

Place:

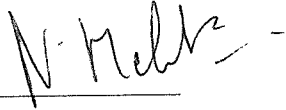
Washington DC

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Nitin Mehta
(Independent Director)

Place: LAGOS, NIGERIA

Date: 24-09-2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or 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 or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER



Naresh Sitaram Khetan

Place: *MUMBAI*

Date: *24-09-2021*

DECLARATION

I, Samir Shantilal Somaiya, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of Offered Shares are true and correct. I, Samir Shantilal Somaiya, assumes no responsibility for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.



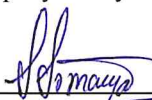
Samir Shantilal Somaiya

Place: MUMBAI

Date: 24-09-2021

DECLARATION

Somaiya Agencies Private Limited hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Somaiya Agencies Private Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.


Signed for and on behalf of Somaiya Agencies Private Limited

Name: Samir Shantilal Somaiya

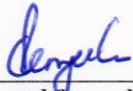
Designation: Director

Date: 24-09-2021

Place: MUMBAI

DECLARATION

Mandala Capital AG Limited hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Mandala Capital AG Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.



Signed for and on behalf of Mandala Capital AG Limited

Name: Gulshan Ramgoolam

Designation: Director

Date: September 24, 2021

Place: Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius

DECLARATION

Filmedia Communication Systems Private Limited hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Filmedia Communication Systems Private Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.



Signed for and on behalf of Filmedia Communication Systems Private Limited

Name: Naresh Sitaram Khetan


Designation: Director

Date: 24-09-2021

Place: MUMBAI

DECLARATION

Somaiya Properties and Investments Private Limited hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Somaiya Properties and Investments Private Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.


Signed for ~~and~~ on behalf of Somaiya Properties and Investments Private Limited

Name: Samir Shantilal Somaiya

Designation: Director

Date: 24-09-2021

Place: MUMBAI

DECLARATION

Lakshmiwadi Mines and Minerals Private Limited hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Lakshmiwadi Mines and Minerals Private Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.



Signed for and on behalf of Lakshmiwadi Mines and Minerals Private Limited

Name: Samir Shantilal Somaiya

Designation: Director

Date: 24-09-2021

Place: MUMBAI